



## COLUMN ONE

### Shoppers trapped in Laa-Laa-land

Hamleys has been doing it for weeks. Now Mothercare has started doing it too. The childrenswear and toy retailer said yesterday that it is having to ration Teletubbies, this year's hottest toy item, in order to prevent irate parents from handbagging each other in Christmas queues up and down the country.

Mothercare said it has imposed a limit of one Teletubby doll per person, as demand is so great. Storehouse, the retail group which owns Mothercare and BHS, said that desperate parents had begun queuing outside its stores from 2am in order to ensure they got their hands on Tinky Winky, Dipsy, Laa-Laa and Po, the cuddly, poly-poly dolls based on the characters from the hit BBC children's television programme.

With demand for Teletubbies far outstripping demand, and Spice Girl dolls not expected in the shops until next month, Storehouse is hoping



to achieve Christmas success with some of its home-grown novelties.

This year BHS has shipped in large quantities of electronic T-shirts which cost £18 for adults and £14 for children.

So far there are three kinds, based on football, motor racing and aliens. They feature fabric-covered patches which, when pressed, make sounds such as a crowd roaring when a goal is scored or of Formula One cars revving on the starting grid. The alien version utters the message "We come in peace" when certain parts of the garment are pressed. Others yet to hit the shelves include a guitar version which releases a Jimi Hendrix-style guitar solo, a "999" emergency services model and a "Hand of Passion" version which gives pain readings. BHS says they expect the T-shirts to sell like hot cakes.

BHS has already achieved notable successes with novel Christmas gifts in the past few years, witness its huge sales in 1995 of chocolate body paint. Sold in little pots, the edible paint became known as a popular source of adult entertainment on cold winter evenings. The paint has even been credited with saving marriages, selling a staggering 400,000 pots last Christmas. So popular has it become that it is now being sold in larger "Dulux" sized pots, as well as the more modest sizes first introduced.

"There are no instructions on the pots," a BHS spokesman said. "It is just up to people's imagination."

But for parents who do not manage to secure a Teletubby doll for their beloved toddler this Christmas there is a salutary tale from Kent. Sue Burt managed to get her hands on all four Teletubby dolls as well as a Teletubby TV for her son after ordering them back in July. But with Christmas now just weeks away, he has decided Teletubbies are not his thing and switched his affections to Thomas the Tank engine. Ms Burt is now trying to sell the toys or swap them for something else.

— Nigel Cope

## PEOPLE



OWEN DENNIS-BELTON

### Robbie Williams told to pay £90,000 to manager

Robbie Williams, the former Take That star, was yesterday ordered by a High Court judge to pay £90,000 in commission to the man who founded the band which launched him to fame.

Mr Justice Ferris, sitting in London, said Williams was "obliged" to pay the money to Mr Nigel Martin-Smith, his one-time manager, immediately. The sum is likely to increase significantly when other figures for VAT, costs, interest and further on-going commission are assessed at a later date.

The judge delivered his ruling following a hearing in July during which Williams contested the claim by Mr Martin-Smith, who founded the phenomenally successful boys' band in 1990.

Williams, 23, of Greenbank Road, Tunstall, Stoke-on-Trent, who left Take That in 1995, was not present in court yesterday and neither were any of the teenage fans who attended every day of the July hearing.

Since he left the band he has recreated himself with a clean and sober image, reflected in his recently released first solo album, *Life Through a Lens*.

Mr Justice Ferris said that, until 13 July 1995,

Williams was a "member of an extremely successful group of performers of popular music under the name Take That". In October 1990 he and the other members of the group — Mark Owen, Howard Donald, Jason Orange and Gary Barlow — entered into an agreement with Mr Martin-Smith under which he agreed to act as manager in return for "remuneration calculated by reference to a percentage share of the earnings or receipts of the group or its individual members".

The judge yesterday rejected Williams' assertion that his obligations under the management agreement were terminated shortly after he left the group. He added: "Since the time when Mr Williams left the group has refused or failed to pay to Mr Martin-Smith some of the remuneration which he claims to be payable to him under the management agreement."

Williams, who is abroad on business until the end of the year, has until 9 January to swear a legal statement relating to matters raised in the inquiry as to further commission.

— Clare Garner

### Woman who spoke up loses tobacco cash appeal

A woman who was fired for criticising the acceptance of tobacco sponsorship by her employers, the Medical Research Council (MRC), has lost her appeal against dismissal.

Last November Mary Rice, then head of public communications for the MRC, spoke out in a newspaper about the council's acceptance of £147,000 from British American Tobacco (BAT), to fund research on whether nicotine can help older people at risk of Alzheimer's disease.

She said it "would be seriously damaging to the MRC's reputation as an impartial source of

scientific knowledge. I put this in writing but was overruled". Within days she was sacked.

This week a London industrial tribunal upheld the dismissal, ruling that Mrs Rice "had so far stepped outside her prescribed role set out in her job description and as followed by her birthright, as to call into doubt her future ability to work".

The MRC's decision to seek funding from BAT was criticised by scientists, including some funded by the council. Mrs Rice said:

"The sight of the first organisation in the world to warn of the link between smoking and cancer, touring

for tobacco money, is unedifying."

Yesterday, the MRC said it welcomed the decision by the tribunal but insisted that the case "had no bearing on her right, or that of any employee, to express opinions or offer advice internally on corporate policy or decisions".

Mrs Rice is unimpressed. "Why should [the tobacco industry] spend millions ... buying a Formula One team when they have been able to buy the good name of the MRC for a mere £147,000?"

Studies in Holland have suggested that smokers are more liable than non-smokers to develop Alzheimer's disease.

## UPDATE

### ENVIRONMENT

#### Build urban homes, says survey

Most people believe that new homes should be built in urban areas and not on "greenfield" countryside sites, a report said today.

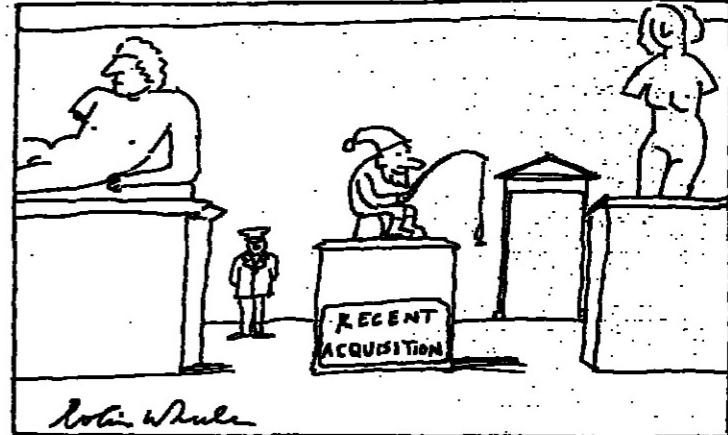
Almost two in three of the people questioned in a survey said new houses should be created by redeveloping urban land, while just 9 per cent favoured development on green field sites, said Barclays Mortgages. The majority, 59 per cent, said their favourite place to live would be a quiet suburb, while 21 per cent favoured an older property with land. Town-centre living was chosen by just 11 per cent.

Price was the key consideration for the majority of people in choosing a new home. But the report emphasised that location still mattered, with 69 per cent of people saying they would choose a smaller, cheaper house in a better area rather than a bigger house in a less attractive place.

Jim Chadwick, managing director of Barclays Mortgages, said: "If Britain is to have the 4.4 million extra homes it needs by 2018, housebuilders will need to cater for a variety of tastes and look for innovative ways to maintain their market share."

### LIFESTYLE

#### Gnomes have the last laugh



Arbiters of good taste be warned — garden gnomes could be making a comeback. The plastic variety is still taboo, but interest in antique German terracotta little men is surging, according to *Gardening Which?* magazine.

Collectors are paying up to £2,000 for the oldest figurines, and there are plenty of gnomes going for upwards of £100. The first garden gnome to be introduced to Britain, a 6-inch porcelain figure imported in the late-1800s, is now deemed "priceless". Germany is still the biggest producer of gnomes, and they are considerably more popular on the Continent than in Britain. A recent Consumers' Association poll put gnomes bottom of a list of desirable garden ornaments. Alistair Ayres, editor of the magazine, said: "We may love to hate them, but ... the market for collecting old and rare gnomes shows no sign of collapsing."

### MEDIA

#### Evans loses to Ball in radio battle

Despite the non-stop type machine that is Chris Evans, Radio 1's new breakfast duo Zoe Ball and Kevin Greene are attracting more new listeners than Virgin Radio's ginger-headed millionaire.

Radio 1's new breakfast line up, which started in Evans' old job on the same day as Evans started at Virgin, has attracted 750,000 new listeners, according to leaked monthly audience figures. By comparison Chris Evans' audience has increased by 470,000. But the October figures show that Evans' has a bigger percentage increase because of Virgin's low base and poor reception outside London. Virgin's breakfast show has increased by 26 per cent, and Radio 1 14 per cent. If Virgin can charge advertisers 26 per cent more in Evans' slot he will have more than covered his 10-week fee. Ball gets 5.76 million listeners in a week compared with Evans' 2.31 million.

— Paul McCann, Media Correspondent

### TOURIST RATES

Australia (dollars)	2.38	Italy (lira)	2,797
Austria (schillings)	19.98	Japan (yen)	211.73
Belgium (francs)	58.66	Malta (lira)	0.63
Canada (\$)	2.33	Netherlands (guilders)	3.20
Cyprus (pounds)	0.83	Norway (kroner)	11.63
Denmark (kroner)	10.89	Portugal (escudos)	288.44
France (francs)	9.51	Spain (pesetas)	239.19
Germany (marks)	2.85	Sweden (kroner)	12.48
Greece (drachmai)	454.11	Switzerland (francs)	2.32
Hong Kong (\$)	12.66	Turkey (lira)	310.656
Ireland (pounds)	1.10	United States (\$)	1.65

Source: Thomas Cook

Rates for indication purposes only

### Truant schoolboy to fly home

A 16-year-old public schoolboy who skipped lessons and secretly flew to the Caribbean has telephoned home to tell his parents he is safe and well.

Interpol had been alerted over GCSE student Fenn Chapman, who disappeared from Rugby School in Warwickshire on Tuesday and set off for Barbados. The teenager, who was at first thought

to have been suffering from examination stress, had not been seen since arriving on the island.

Police say the boy, who had visited Barbados on a recent family holiday, had contacted his parents and was planning to return home.

His parents, Christine and Ernest Chapman, who live near Ilkley, North Yorkshire, refused to comment.

### 7.30 FOR 8



by Chris Priestley

### ZITS



by Jerry Scott & Jim Borgman

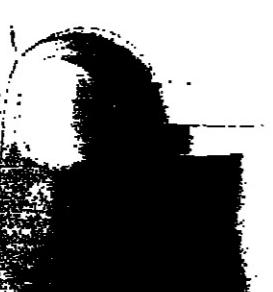


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## 3/LEADING STORIES

THE INDEPENDENT  
FRIDAY  
21 NOVEMBER 1997

## Ten-year-olds set for electronic ball and chain

**Up to 7,500 criminals, including children, will be fitted with electronic tags under plans announced yesterday.**

**Jason Benito, Crime Correspondent:** examines a dramatic move to curb lawlessness and force down the jail population.

Child offenders as young as 10 will be fitted with tags and placed under house arrest as part of an expansion of electronic monitoring announced by the Government yesterday.

In addition, up to 7,500 criminals will be tagged and released as much as two months before their sentence is completed. All offenders jailed from three months to four years will be eligible for early release providing they do not pose a threat to the community.

The move, condemned by

the Tories as the Government going soft on crime, is aimed at reducing the jail population, which has reached a record 63,500, and helping offenders adjust to life outside jail.

Jack Straw, Home Secretary, said that as part of the expansion of tagging, children aged 10 to 15 will be tagged in two trial areas of Greater Manchester and Norfolk. Labour opposed tagging while in opposition, but now believes it is a useful alternative to prison.

From January, courts will be

able to impose a curfew order on young offenders, who will have to wear a tag on the wrist or arm, which will be monitored by a private security firm to ensure the child does not leave home during a specified period. The punishment will be part of a community penalty for offences such as vandalism. Although Mr Straw had said he intended tagging younger offenders, it was not expected they would be as young as 10. At present the youngest criminals tagged are 16.

The mass early release of thousands of prisoners on tags will have the biggest impact on the criminal justice system. Criminals convicted of all offences, including burglary and assault, could be placed under house arrest and released from jail up to two months early if they are no longer considered a danger by the prison governor and other agencies.

Most offenders convicted of sexual and violent crimes would not be considered for tagging. Of the 7,500 criminals

eligible at least half are expected to be tagged. Spread throughout the year, that would mean about 30,000 inmates would be under a curfew.

Offenders placed under the Home Detention Curfew, which will be included in the Crime and Disorder Bill and which is expected to become law in 1999, will have to spend a minimum of nine hours a day at home. They would start the curfew from two weeks to two months before they were released, which is usually after

half the court sentence has been served. A breach of curfew could result in the offender being returned to jail. Mr Straw said: "Home Detention Curfew will... deprive them of their liberty for a major part of the day, but will also allow them to inject some sense of structure and order into their lives."

In the Commons yesterday Sir Brian Mawhinney, the Tory home-affairs spokesman, accused Labour of betraying its election pledge to be tough on crime.

IN TOMORROW'S  
FIVE-SECTION  
INDEPENDENT

Travels in  
South  
America,  
skiing in  
the Arctic  
TIME OFF

Beware of  
the home  
sale cheats  
YOUR MONEY



John Walsh  
meets Nick  
Park  
PLUS  
A brave  
face for  
winter  
SATURDAY  
MAGAZINE

Elaine  
Strich: the  
lady who  
lunches  
FEATURES

## Daughter testifies against murder case RAF officer

**The wife of a senior RAF officer suspected her husband was having an affair just weeks before he allegedly murdered her, their daughter told a jury yesterday. Kim Sengupta describes the dramatic scene at Norwich Crown Court as she gave evidence for the prosecution:**

A few weeks after expressing her suspicion of infidelity, Carol Tucker, 52, was found dead after a car she was travelling in with her husband plunged into a river. Ms Vujicich told the court that the squadron leader had later confessed to her of his liaison with a 21-year-old Serbian interpreter.

The prosecution claims that it was this infatuation for Dijana Dudukovic, which drove the RAF officer to stage an accident at the River Lark, in Suffolk, and murder her.

Ms Vujicich, 22, an air hostess with Britannia Airways now living in New Zealand, told the jury at Norwich Crown Court that her father returned home twice while serving in former Yugoslavia. She said: "My mother spoke to me about how she suspected that he was having an affair. She was thoroughly upset and obviously she was looking for answers".

Ms Vujicich said that following the fatal accident on 21 July 1995 there was a series of telephone calls to the Tucker home in Honington, Suffolk. There were two within half an hour from a woman whose voice she did not recognise. Later she heard him mention Zurich in another call.

At first Sqn Ldr Tucker claimed it was to do with a family he was helping in Bosnia. But after being interviewed by the police he told her about a "fling in Bosnia".

Ms Vujicich said: "I remember that he wanted to tell me about somebody that he met in Bosnia before I found out in an-



Dijana Dudukovic (above), the Serbian interpreter. Photograph: Simon Walker. Right: Vanessa Vujicich, the daughter, arriving at court. Photograph: Alban Donohoe

other way. It was Dijana, but I cannot remember if he used that name. He said he had a fling with an interpreter in Bosnia. He had also taken her somewhere in England. I remember being quite understanding about it and listening to him."

She had stayed in contact with her father and sent him a Father's Day card.

Earlier in the hearing she

jury was told by a Royal Marines officer, Lt Timothy Stear, who served as a UN peace-keeper in former Yugoslavia that Ms Dudukovic "used sex to manipulate people" and Sqn Ldr Tucker became her "lapdog". It was alleged he neglected military duties to take her shopping in Zagreb.

Ms Vujicich told the court that her mother was "annoyed" because she had seen photographs of Sqn Ldr Tucker with two interpreters in Bosnia which was being passed around at the RAF base at Honington, Suffolk.

The jury was read a letter from Mrs Tucker to her husband: "I was very upset by the photos of the smoochy parties and the girls. I was hurting so much. Any wife would be."

"I try not to worry and cope with everything, and then I just snap - when I saw all the parties going on and the booze. It probably means nothing to you but it means a lot to me. I worry in case you don't come through it all and step on a mine or get a sniper's bullet."

Ms Vujicich told the court how she was woken by her father at 2am the morning following the crash. He cried as he said her mother had been killed.

Two days later Sqn Ldr Tucker took his daughter to the crash site. She thought the water was not as deep as she had expected. She added that her mother had a phobia about water, but could swim.

Sqn Ldr Tucker, 46, of Honington, Suffolk, denies murder. The case continues.

**Sqn Ldr Tucker yesterday. Photograph: Alban Donohoe**

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**COMPAQ**

## Armed burglars in £1m gem raid at Cartier

Up to £1m worth of jewellery and gems has been stolen from the workshops of the Cartier company. The raid was carefully planned and swiftly executed, says Jason Bennett, Crime Correspondent.

Detectives are investigating a robbery in a central London jewellery workshop in which two armed men stole hundreds of thousands of pounds' worth of gems in minutes.

Two masked robbers with sawn-off shotguns climbed onto the roof of a building next to Cartier's secret fifth-floor workshop and jumped into it after smashing through the glass roof, surprising two workers. The manager and another staff member were threatened and hand-

cuffed to a table before the raiders, wearing balaclavas, removed gems and jewellery that were being made and repaired. They then climbed out of the building back onto the roof and escaped near New Bond Street, central London.

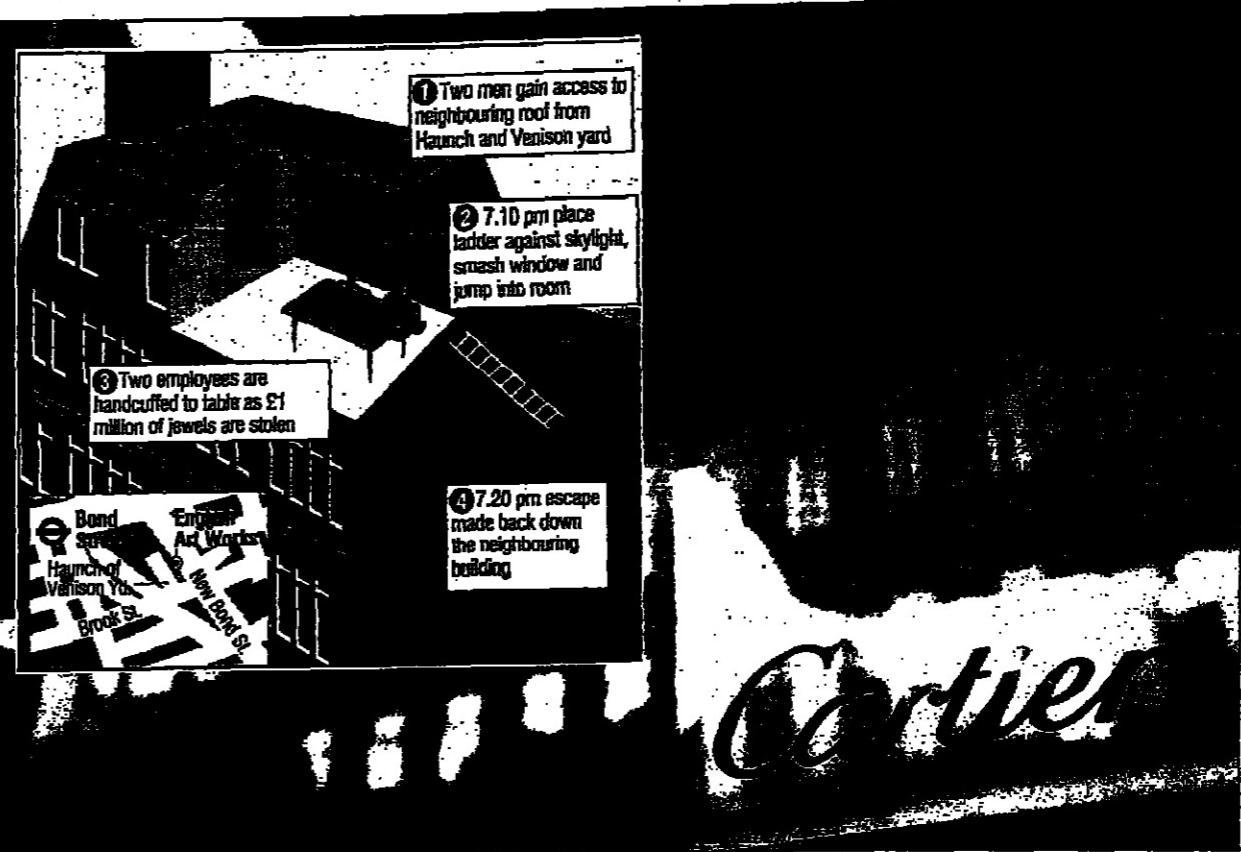
The whole operation, which happened on Wednesday evening, took about 20 minutes, the robbers spent only 10 minutes inside the workshop.

The raiders appeared to know precisely when to strike – just before the workshop, called English Art Works, was due to close. The workshop, where new jewellery is made and old pieces repaired, is supposed to be a secret and is hid discretely on the fifth floor of an office building in New Bond Street, close to Cartier's London headquarters. Yet the robbers were able to get into the building at great speed – entering via a yard behind the office – and leave at about 7.30pm without being spotted.

Detectives from Scotland Yard's Flying Squad are examining closed-circuit television footage, although there had been reports that the CCTV was switched off shortly before the raid. They have also recovered an aluminium ladder on the roof of the workshop, which was used to get into the building.

Arnaud Bamberger, the managing director of Cartier said yesterday: "Two members of staff were on the premises and although they were handcuffed and threatened, I am relieved to say that neither of them was injured. Items were stolen – but we believe it to be less than £1m. None are believed to have belonged to clients."

Former Flying Squad commander John O'Connor said yesterday the "audacious" robbery was slick and well organised. But he said the raiders would be very vulnerable as they attempted to sell the gems.



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Car shown: Saab 900S 2.0, 5 door, £18,145 on the road (including delivery, plates, 12 months RFL and VAT). The Saab 900 range from £15,750 on the road.

### Dangers mount for the mobile-phone motorist

Motorists using mobile phones – including hands-free devices – can be sufficiently distracted to be regarded as unsafe, according to Government research. Baroness Hayman, the road safety minister, told peers that "there is an association between telephone use and increased accident risk".

The report, by the Transport Research Laboratory, points out that there was a quadrupling of the risk of collision during a phone-call in a car – and that hands-free devices offered "no advantage in that context". Drivers were also 30 per cent less likely to respond to a hazard than "phone-free" motorists when having an "intense conversation" on a "hands-free" telephone. Police can charge motorists whose driving is affected by using a telephone, under existing offences such as careless or dangerous driving.

Many experts agree mobile-phone conversations while driving should be avoided. A much-publicised piece of work in the *New England Journal of Medicine* said the risk of talking on a mobile phone while driving is equivalent to having consumed the legal limit in alcohol.

The problem for ministers is how to proceed. Lady Hayman is working on a code of practice with mobile-phone companies and motoring interests.

– Randeep Ramesh, Transport Correspondent

### Doctor accused of fraud

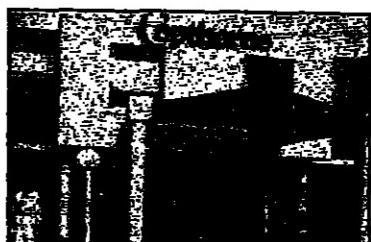
A doctor pleaded poverty to swindle the taxpayer out of £26,000 in income support, a court heard. But Edward Young, 53, was treating hundreds of patients for up to £4,000 a month, it was alleged.

Inner London Crown Court heard that during the two years he was going to his Department of Social Security office he earned £39,000 and £10,000 in rent on a house he owned in Glasgow, said the prosecutor, Edward Brown.

Dr Young, of Valleyfield Road, Streatham, south-west London, denies four counts of deception. Mr Brown said that in 1993 Dr Young stopped working and applied for income support which rose to £250 a week. "He was legitimately entitled to that ... but 10 months later he began practising as a doctor again, earning what you may think were significant sums as a locum," the barrister told the jury. "However, he also continued to claim income support dishonestly for two or more years." The hearing was adjourned to today.

### THE INDEPENDENT

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## Fresh worry over breast implants

Fears about the risks of silicone breast implants will be re-ignited by a review which suggests almost all will rupture within 20 years. Jeremy Lawrence, Health Editor, says there are unanswered questions about the safety of the implants used by thousands of women.

Silicone breast implants, once described as a "timebomb ticking in women's chests", may turn out to be just that, a review of research, published in *The Lancet*, has concluded. There is evidence that the implants, used to boost the natural assets of American film stars Demi Moore and Melanie Griffiths and the British Page Three model Melinda Messenger, become weaker with age and more prone to leak.

One study found 11 per cent of women had a ruptured implant after eight years, half after 12 years and 95 per cent after 20 years. British experts said the findings were alarmist and took no account of improvements in the manufacture of implants over the past two decades.

David Sharpe, consultant plastic surgeon and chairman of the Breast Special Interest Group of the British Association of Plastic Surgeons, said those made since 1989 had thicker walls, with a different construction. "It is complete nonsense to suggest almost all implants will rupture in 20 years."

Manufacturers say only 0.2 to 1.1 per

cent of implants rupture but estimates reported to the US Food and Drugs Administration (FDA) have been higher. The authors of the review, Lori Brown and colleagues from the Centre for Devices and Radiological Health at the FDA, say: "There is an emerging consensus that [the rate] is much higher than previously suspected." In Britain about 5,000 women a year have the implants, 60 per cent for cosmetic reasons and the remainder following surgery for breast cancer. In the US an estimated one to two million women have had them. The FDA banned silicone breast implants for cosmetic reasons in 1992, although they are still permitted for reconstructive purposes.

That ban was imposed not because the implants were known to pose a risk but because manufacturers failed to collect information on the issue, as they were legally required to do. A decision by the main manufacturers to set up compensation funds worth more than \$6bn for affected women was taken because they calculated it would save them tens of billions of dollars in legal costs, even if they were to win and not because they admitted liability.

UK government reviews in 1992 and 1994 declared the implants safe but a third review ordered by health minister Baroness Jay last summer and chaired by Sir Kenneth Calman, the Chief Medical Officer, is due to report in the New Year. The third review was prompted by renewed concerns over safety and over the advice given to women prior to receiving implants, a health department spokeswoman said.

Divine Intervention: Building worker JS Hunda Singh praying at yesterday's topping out ceremony at the new Sadler's Wells theatre in London yesterday. With him is Fr Victor Stock, rector of St Mary-le-Bow, who is holding a piece of yew to be mixed with concrete to ward off evil spirits. Photograph: Kalpesh Lathigra



# Dixons

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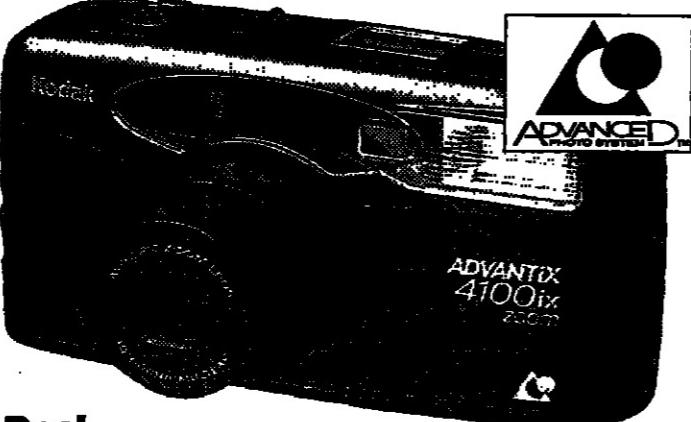
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الصلوة

### Coastguards aid crew of second stricken ship

Coastguard rescuers were standing by to airlift the crew of a 1000-tonne bulk carrier last night - only 24 hours after a helicopter winchman was lost at sea. The *Minerva Bay* was in difficulties in the storm-lashed waters off Scotland's northern coast. A tug was trying to fix a line to the Maltese-registered vessel in the Pentland Firth, off Orkney.

Meanwhile, coastguards were waiting for news that a body discovered in the sea off Shetland - less than 100 miles away - was that of Bill Deacon, a father-of-two from Ellon, Aberdeenshire. He was swept away after helping to safety 10 of the 15 crew from the freighter *Green Lily*, which ran aground on the Shetland island of Bressay, on Wednesday.

Mr Deacon, 50, was a relief winchman on the four-man coastguard helicopter operating out of Sumburgh Airport, Shetland, under contract to the helicopter company Bristow. He had just helped the last crew member off the vessel when a massive wave washed him overboard.

The second sea drama in the Northern Isles came only hours after the body, clad in winchman's gear, was recovered from the water. Coastguards said that, if the tug was unable to assist the *Minerva Bay*, the same helicopter at the centre of Wednesday's tragedy would be sent to help rescue the 24 crew.

### Woman fights for her life after firebomb attack

A 23-year-old woman was fighting for her life yesterday after being set ablaze in a firebomb attack in a park. Police scoured the park for evidence as detectives tried to work out why Heidi Brown was dosed with what is thought to have been petrol in an apparently unprovoked attack. She is in the Queen Victoria hospital, in East Grinstead, West Sussex.

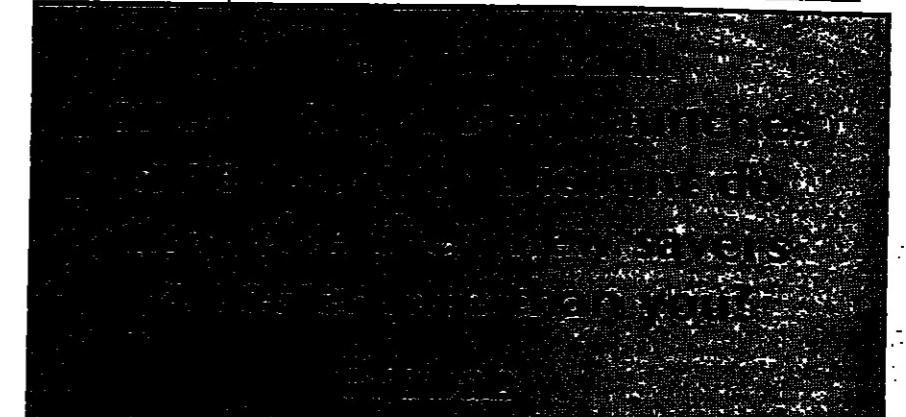
Police say she and her boyfriend, Chris Kelly, 28, were set on as they walked through the park near their home in Bexhill, East Sussex. Detective Superintendent Paul Westwood said: "All we can tell you is what the companion of this young lady has told us."

"He [Mr Kelly] said he and the lady were walking along the footpath when he thinks there was a group coming towards them and for no apparent reason one of them dosed her with what he took to be fluid and the next thing she was alight. He tried to put out the flames, dragged her off the side of the footpath onto the grass area where there are a number of puddles and tried to immerse her in water as much as he could where she was burning. At this stage we do not have any witnesses."

Mr Kelly, who is also in hospital, suffered burns to his hands.

Detectives are working on the theory that a gang of youths were responsible.

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## 7/EDUCATION

## Heads taking up to 12 years to sack bad teachers

Ministers want bad teachers sacked within a month, instead of up to 12 years as the process can now take. But getting rid of a teacher is a complicated business, as a new study has found. Judith Judd, Education Editor, explains why.

Ministers want the worst teachers sacked within a month and they want all bad teachers to go within two terms. But new research published today which found that heads were spending up to 12 years negotiating departures also found that it was a complicated matter.

The first part of the two-year study from Exeter University—the first in Britain to look in depth at incompetent teachers—which has been sent to David Blunkett, the Secretary of State for Education, says: "Anyone who believes that dealing with allegations of incompetence is easy should think again."

The research cites the case of a head who was about to bring proceedings against one teacher to a close. The teacher went sick for 100 days on full pay and another 100 on half pay and the proceedings had to be delayed. Eventually he was given ill-health retirement.

Of the 60 heads questioned, three-quarters had brought cases involving incompetent teachers to a conclusion. The rest

were still in progress. About half of the completed cases took between 18 months and two and a half years. Three, all involving teachers who kept returning after periods of sickness, took seven, eight and twelve years to complete. No one was eventually sacked. Seven teachers were judged to have improved, and in most of the remaining cases, the teachers' departures were negotiated. Two remained in their jobs with the problems unresolved and two were given different duties in the same school.

What is incompetence? According to the heads, the study funded by the Gatsby Charitable Foundation says, the most common problem is the inability to keep order. Bad teachers were not just the permissive ones but

those who "shouted and harangued children expecting them to sit and listen". Some who knew a lot about their subject had no idea how to make it interesting. Those who did well in one school, could not survive in another. All the cases involved anguish for the heads as well as the teachers. Professor Ted Wragg, the study's director, said: "All the heads said the first duty was to the children but, as managers, their job was also to bring teachers up to scratch and not just fire them the minute they faltered. Under employment law, they are obliged to offer them retraining and a chance to improve."

Teachers, children, parents, governors and local authority officials will be questioned during the rest of the study.



Photograph: Kobal Collection

## Probe ordered as summer schools get mixed report

Children attending the Government's literacy summer schools made great strides in reading during the course but, like other 11-year-olds, slipped back even further than their original level by the start of this term, research has revealed. Now ministers want to find out what goes wrong in the holidays, says Lucy Ward, Education Correspondent.

The school standards minister, Stephen Byers, yesterday ordered an urgent investigation into why children lose ground as they transfer from primary to secondary school.

The move came after an evaluation report on the Government's flagship literacy summer schools, disclosed in yesterday's *Independent*, revealed that children who had attended the schemes showed "a significant decline" in reading test scores over the four months between their final summer term at primary school and their first term at secondary.

A control group of children which had not attended the 50 summer schools showed an almost identical decline over the same period.

The fall-back among the pupils taking part in the project came despite evidence, demonstrated in a second study carried out by the educational charity which ran the scheme, that at least half of the 1,500 children who attended made reading progress of six months or more during the two- or three-week

courses, according to tests at the beginning and end.

The Government yesterday used those findings to claim spectacular success for the literacy schools initiative, while acknowledging that the other evaluation, conducted by the independent National Foundation for Educational Research (NFER), had uncovered "worrying evidence of the way that children's achievement can be hampered in the transfer from primary to secondary school".

The literacy courses, funded by a mix of government cash and private sponsorship, were targeted at 11-year-olds who failed to reach the expected level of English at the end of their primary schooling.

As plans were announced yesterday to extend the scheme to 500 schools next year, government sources acknowledged changes were needed to ensure pupils maintained the progress made during the courses.

The source said: "This shows there has to be a proper follow-through to the benefits children are clearly gaining in the summer school so they are not dissipated when the kids go away on holiday or play with their friends."

Next year's courses are not expected to be longer, but organisers are likely to examine the possibility of providing a programme for children leaving summer school to follow for the rest of the holiday.

The NFER acknowledged that its study compared high-stakes national tests taken by pupils in their familiar primary schools before the holidays with tests taken in the second week of term at a new school, but say its findings nevertheless echo previous research.



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## Crisis over as Saddam lets inspectors back to work

Iraq agreed yesterday to allow US arms inspectors back into the country to resume monitoring its weapons programme, ending a three-week crisis with the United Nations. America and Britain both claimed Iraq had won nothing in return. Harriet Martin, in Geneva, and Rupert Cornwell report.

Iraq, in a joint statement with Russia, announced yesterday that it would let all United States weapons inspectors return to the country, allowing the UN Special Commission on weapons inspection to resume its work.

Baghdad radio said Iraqi and Russian leaders had exchanged views which "resulted in an agreement to defuse the crisis. We are happy about it." It said the agreement gave Iraq hope that UN sanctions imposed after it invaded Kuwait in August 1990 would be lifted.

The announcement came between Iraq and the US which had precipitated a military build up in the Gulf, raising the threat of US retaliatory action. Though the US continued its arms build-up yesterday, it now seems unlikely that there will be any strikes.

Iraq had prevented the UN weapons inspectors team from gaining access to sites, and then barred the American members of the team from the country.

Yesterday's communiqué was released in Moscow and Baghdad after an emergency meeting in Geneva between the five permanent members of the Security Council - the US, Russia, France, Britain and China. During the meeting the Russian Foreign minister, Yevgeny Primakov, announced that the Iraqis had agreed to allow the weapons inspectors, including the same number of Americans, back unconditionally.

The agreement had been brokered during talks in

Moscow earlier this week between the Iraqi deputy Prime Minister, Tariq Aziz, Mr Primakov and the Russian President, Boris Yeltsin. The meeting in Geneva stressed the "importance of the efforts in solidarity" of the permanent five and reiterated calls for "unconditional and complete fulfilment by Iraq of all the relevant resolutions of the UN Security Council."

Diplomatic sources described it as a "much-needed unifying statement" after it became clear that only Britain was prepared to back US threat of military action against Iraqi non-compliance. After the meeting, the British Foreign Secretary, Robin Cook, stressed that no deal had been struck with Saddam Hussein. "He has not won any compromise. There are no concessions. There is no deal. There is no commitment on the part of the United Nations permanent five to lift those sanctions," Mr Cook said.

The US Secretary of State, Madeleine Albright, said the Iraqis "are prepared to have the inspectors return unconditionally." Britain, the lone unequivocal supporter of the US through the crisis, yesterday doggedly insisted that President Saddam had gained nothing through his manoeuvrings of the past three weeks — other than to set back the date at which sanctions might ultimately be lifted.

"We're back to the status quo ante," a senior British diplomat said, stressing that Russia had made its undertakings to President Saddam to work for an easing of sanctions "on behalf of Russia only." As far as Britain was concerned, sanctions would only be removed when Iraq complied fully with Security Council resolutions. In the meantime, "quite a lot of ground" had to be made up, after the three-week absence of the inspection teams.

In return for allowing the resumption of weapons inspections diplomats anticipate that Iraq may win some limited concessions at a special Uncom meeting to be held in New York today.



Foot soldier: An Iraqi girl stamping on an American flag at a rally in Baghdad yesterday after it was announced that weapons inspectors would be allowed back into the country. Photograph: AFP

## Baghdad wins concessions from UN's pyrrhic victory

Saddam Hussein has achieved most of his aims in his confrontation with the UN. Patrick Cockburn says that Iraq believes it is seeing the beginning of the end of its political and economic isolation.

For six years American policy towards Iraq was, as Tony Lake, former US National Security Adviser, put it: "To keep Saddam in his box." The way in which the crisis over the UN Special Commission (Uncom) inspectors overseeing the destruction of Iraq's strategic weapons is ending, shows that the Iraqi leader is getting out of his box.

Only at the most superficial level has Iraq climbed down over the expulsion of the UN members of the inspection team. Saad Qasim Hammoudi, head of Arab and International Committee at the Iraqi parliament, said in Baghdad yesterday that Iraq agreed to the return of the inspectors on condition that Russia would guarantee a series of measures.

He said they included "reviewing a balanced representation [of UN Security Council's members] in the UN Special Commission and suspending the inspection of presidential sites and the flights of the [American-operated UN] U-2

plane." The ruling Revolution Command Council had earlier confirmed that the inspectors, including Americans, could return as early as yesterday.

The return of the American inspectors may mask from US opinion the significance of Washington's losses in the crisis. "Iraq has succeeded in changing the rules of engagement," says Laith Kubba, an Iraqi opposition intellectual. "It has realised it has a strong card in suspending the inspection team which it can do again."

Other important gains from Baghdad's point of view include the return of Moscow as a power in the Middle East. Its influence has been limited in the region since the collapse of the Soviet Union in 1991. Now the successful mediation by Yevgeny Primakov, Russia's Foreign Minister, has made Russia a player again. "The Americans must have been desperate to allow the Russians back in," Mr Kubba says. Nor is this a one-off development. Moscow was already signalling its renewed strength in the Middle East earlier this year when it rebuffed US and Israeli demands that it stop helping Iran develop a new missile.

The crisis also underlined the divisions in the UN Security Council over what to do about Iraq. Despite the show of unity at Geneva these turned out to be deep, with the US and Britain standing alone. The visit to the Gulf of Madeleine Albright will have been the signs of division in the US administration. When an official close to Mrs Albright said the US might offer a "little carrot" to get Baghdad to resume co-operation with Uncom, William Cohen, the Defense Secretary, denied it. Finally, the White House said it would consider relaxing sanctions on Iraqi oil sales if Iraq complied with inspections, and also signalled US flexibility on the composition of inspection teams.

There was also uncertainty in Washington about Russian mediation. At a news briefing on Tuesday, Sandy Berger, the National Security Adviser, played down the proposal, saying it was doubtful Mrs Albright would be in Geneva. Hours later she cut short a visit to India to go to the meeting.

## Russia basks in rare success

Russia's mediation in the Iraq crisis has given Moscow new hope that it is still a powerful force on the international stage.

It was a triumph for a nation that has long felt neglected in the wake of its lost empire. It was a foreign victory abroad for a President grappling with a scandal at home. And it was a vintage performance in the negotiating career of a wily former Soviet spymaster.

The deal, brokered by the Russian Foreign Minister, Yevgeny Primakov in talks with Iraq's Tariq Aziz, was widely seen both as a reminder to the world that Russia still merits a place at the top table, despite Nato expansion and the post-Cold War ascendancy of the United States.

Yesterday, as Mr Primakov

set off to tour Latin America, the Kremlin had the rare pleasure of basking in the glow of international approval.

Madeleine Albright, the US Secretary of State, said diplomats noted his mediation "with appreciation". The French President, Jacques Chirac, scrawled "Bravo For Primakov" on a congratulatory note to Boris Yeltsin.

Mr Primakov's success was the fruit of a relationship with Russian Foreign Minister Yevgeny Primakov in talks with Iraq's Tariq Aziz, was widely seen both as a reminder to the world that Russia still merits a place at the top table, despite Nato expansion and the post-Cold War ascendancy of the United States.

Yesterday, as Mr Primakov

For President Yeltsin, the deal was a welcome addition to his efforts to establish his credentials as a world statesman, an ambition reflected by his endless round of meetings with other leaders this year. It is also a distraction from a corruption scandal over his close adviser, Anatoly Chubais.

Above all, it was a day in the sun for Mr Primakov, a veteran Middle East hand who worked in the region as a *Pravda* journalist and Soviet diplomat. The former head of Russia's foreign intelligence service will feel he has shown Moscow still holds the key to some international relationships and that the US-run "unipolar" world (a constant complaint) has not yet arrived.

- Phil Reeves

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# 10/JOB SUMMIT

## Talking shop offers little hope for jobless

One in five Europeans live in the shadow of unemployment. Diane Coyle, Economics Editor, asks whether a gathering of Europe's leaders in Luxembourg this week will deliver more than a photo opportunity.

There are nearly 20 million people in the European Union who are looking for work and cannot find it. As many again have given up the unequal struggle and withdrawn from the jobs market.

Solving Europe's unemployment problem is a challenge the British Government has set itself for its presidency of the EU in the first half of next year, and for the G8 summit of world leaders in Birmingham in June.

Meanwhile, sceptics expect little concrete action to emerge from the Luxembourg summit which ends today. Politicians from the high unemployment countries such as Germany and France are hesitant even to agree to targets for reducing joblessness, so unsure are they that these could be achieved.

The UK and US have both

cut their jobless rates to almost acceptable levels over the past five years, although seemingly at the price of increased inequality. On the international accepted definition, Britain's jobless rate is below 7 per cent and America's below 5 per cent, compared with rates in double figures in France, Germany, Italy and Spain.

But there is little willingness on the part of the Continental leaders to admit that they can draw lessons from the Anglo-Saxon successes.

Launching his Employment Action Plan, the UK's contribution to this week's debate, Gordon Brown, the Chancellor, acknowledged this difficulty. He said: "We need to find a third way between rampant free-market economics and stifling over-regulation, combining economic efficiency and social inclusion."

For many economists, however, talk of a third way is window dressing. Charles Bean, an expert on unemployment at the London School of Economics, said: "There is no magic bullet - it is a fight on many fronts. But we do know which policies will help get people into work."

So, for example, there is

agreement that a high minimum wage for young people and a high ratio of benefits to earnings are unhelpful; that "active labour market policies", such as job advice, support with application forms and travel to interviews, are helpful.

John Philpot, director of the London-based Employment Policy Institute was no fan of the Conservatives' boasts about the benefits of flexibility. But he agrees with most experts that mainland Europeans need more deregulation, more entrepreneurship, a lower minimum wage for young people.

"Suggesting that a 35-hour week will create jobs is just crazy," he said, voicing the widespread view amongst the profession that this French plan has everything to do with domestic politics and nothing to do with sensible economics.

Whatever comes of this plan, the European Commission is proposing at the summit "four pillars" for creating employment that are built on this consensus.

The leaders will sign up to these motherhood and apple pie sentiments in Luxembourg. Whether they will then go home and get down to the nitty-gritty of policies that might help people into work is more doubtful.



Regeneration: Lesley Porter, a single mother, has found work in Cardiff's new industries - Photograph: Andrew Buurman

## A city which learned to be flexible

People in Cardiff are more 'flexible' than Continental workers, says a senior Welsh economist. Barrie Clement, Labour Editor, finds a new attitude to work.

Lesley Porter, a lone parent, spent much of the recession looking after her son.

But as her home city of Cardiff staggered out of the economic gloom, she began to take temporary typing work.

Now Ms Porter, 34, has found a permanent job as cler-

ical assistant with ERES, a marketing and economic consultancy which services public authorities in the area and also from local firms expanding.

Manufacturing employment has remained steady at about 20,000 between 1991 and 1997 and overall the number of jobs in Cardiff has risen to 160,000 - an increase of 6.2 per cent since the end of the recession.

But why should Cardiff, in common with many other British cities, have so many jobs during the recovery?

Part of the reason is believed to be the hire and fire powers given to management by the previous government which have enabled companies to take people on in the knowledge that it will be relatively easy to get rid of them.

Inevitably, the most prominent beneficiaries of the economic upturn have been shops and stores which endured some of the unemployment which had grown in the city. According to Calvin Jones, head of economic research at Cardiff City Council, the retail sector has seen a dramatic increase in jobs of around 40 per cent between 1991 and 1997.

Almost as impressive has been the surge in employment in construction - up by about a third in five years. The Cardiff Bay development project and in particular the tidal barrier now nearing completion has delivered much of the increase in building employment.

The recovery has also yielded a 33 per cent rise in banking, insurance and finance jobs - although salaries are just 80 per cent of the UK average in the sector. Many of the 2,600 extra

Germans' work cut out

Michael Reichert is too busy to worry about Germany's unemployment. On weekdays the caterer gets up at 4am, buys provisions and prepares his sandwiches to be ready when office workers start in Bonn's government district. He does 80 hours a week, has no paid holidays and cannot afford to fall ill.

Mr Reichert, 35, is the sort of person Chancellor Helmut Kohl counts on to rescue Germany. Such people, not publicly funded grand projects, will put 6 million Germans back to work.

"I would love to work less," Mr Reichert says. "There is no competition. I've got people coming to me from other towns to see how I do it, so they can start a business at home."

He is not deterred by the wages he would have to pay, which, with compulsory health and unemployment insurance contributions add up to the world's highest. He would need capital initially, but the rewards would be enormous.

"I would love to hire two or three people, but I cannot afford to. I would need about DM50,000 (£17,800) to expand, but no one will lend me the money. The government is offering a scheme to young starters, but the loans are administered by the banks. When you go to the banks, they don't want to know."

That's the end of that. Mr Reichert's present business, which he started two years ago, is about the tenth job in his career. After school he did an apprenticeship as a maintenance fitter but found his skill redundant. "That was really bad," he says. He has also been a decorator, cook, prison guard, policeman and textile wholesaler.

He feels he has displayed enough of the "flexibility" Mr Kohl is banging on about, and hopes his present line of work will be his last. "I am not getting any younger. I think I will stick to this now." The sky is the limit - credits permitting.

Anyone out there with DM50,000 to spare? That also happens to be the cost of keeping one German on the dole for one year.

- Imre Karacs, Bonn

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# 11/MPs' INTERESTS

THE INDEPENDENT  
FRIDAY  
21 NOVEMBER 1997

## Downey's rules strike terror into the heart of the Commons

The number of Commons consultancies, with MPs acting as consultants to outside interests, has crashed in the wake of the Nolan Report. Anthony Bevins, Political Editor, examines a dramatic change of culture at Westminster.

The new Register of Members' Interests, issued for the first time since Labour's election landslide over the Tories, was published yesterday.

Sir Gordon Downey, the Parliamentary Commissioner for Standards, reported that following the 1995 report from Lord Nolan's Committee on Standards in Public Life, the Commons had decided that MPs had to register all agreements "involving the provision of services in his or her capacity as a Member of Parliament".

Agreements, which had to be deposited with Sir Gordon, have to be registered with fees received in bands of up to £1,000, up to £5,000, and then, in bands of £5,000. It would appear that the exposure of the previously endemic consultancy process has acted as a severe deterrent - as Lord Nolan might have expected.

Sir Gordon said in an introduction to the new register yesterday: "While it is too early in the new parliament to be certain of long-term trends, it is notable that the number of commitments of this kind undertaken by Members has fallen by some two-thirds compared with the register published in March 1996, when the new rule came into force."

The new register also underlines another feature of the Nolan era, introduced following the cash-for-questions saga - the complete ban on MPs' "engaging in advocacy on behalf of outside bodies or persons from



The ayes have it: The Speaker Betty Boothroyd has declared three pairs of spectacles in the new Register of Members' interests

Photograph: PA

whom they receive payment. And even: "In the case of any 'one-off' benefits such as visits and gifts recorded in this register, the advocacy rule will apply for the period of a year from registration."

The stringency of the new rules would appear to have put such a degree of terror into the minds of MPs that they have started to declare even the slightest details of their lives.

David Marshall, Labour MP for Glasgow Shettleston, for example, has declared the fact that between 13 and 27 February he

was loaned a Ford Mondeo by the Ford Motor Company "for a test drive". Denis Murphy, Labour MP for Wansbeck, declares the gift of a "small crystal figure of unknown value by Mr Leslie Koo, President of Sympac (company based in my constituency)." That gift was registered on 27 July, and, under the rules, it would appear that Mr Murphy is barred for a year from advocating the interests of Sympac in any Commons question or speech.

Another element thrown up by the register yesterday was the final terms of sponsorship for the Tory leadership candidates in May and June this year - with William Hague getting the lion's share of financial backing. His biggest supporter was Harris Ventures Ltd, who donated £74,000 to the Hague campaign. The company is owned by Lord Harris of Peckham, one of the treasures to the Conservatives. Mr Hague's campaign received more than £110,000 in all, compared with £42,000 for Kenneth Clarke, whose largest backer was a Nat Puri, who gave £22,000.

Free tickets to Japan, Florida, Jamaica, the Henley regatta, Twickenham, Silverstone, Wimbledon - even the Speaker's spectacles are now being sponsored by outside companies.

Tony Blair and John Major had so many free trips and junkets over the past year, as Leader of the Opposition and as Prime Minister, that they both evidently feel it would be invidious to identify them. The Prime Minister's office said last night that Mr Blair had not registered a family visit to the Silverstone Grand Prix for the same reason that Mr Major had not registered his numerous visits to Lord's on the Oval cricket grounds. But, in that, they are a party indeed in the new Register of Members' Interests - which delivers an entertaining insight into what MPs get up to in their free time.

Free travel has always been a perk of the MP's gravy plane, and Labour left-wingers prove no exception. William Abrahams, MP for Hackney North and Stoke Newington, registered a return air ticket to Jamaica for a three-week private visit last Christmas, provided by Air Jamaica; while Shery Banks, new minister for sport, declares "tickets" to Florida in January, provided by Elizabeth Duff Revel.

Other far-flung destinations, courtesy of outside sponsors and governments, included trips to Spain by John Maples, now shadow health spokesman, and Roger Gossage, Labour MP for Birmingham Sparkbrook and Small Heath. Quentin Davies, Conservative MP for Grantham and Stamford, declares sponsored visits over the past year to Dublin, Paris, Versailles, Amsterdam, Berlin, Italy, Germany, Berlin (again), Italy (again), and Berlin (again). Ken Clarke, the former Chancellor of the Exchequer, went to Silverstone, courtesy of the RAC; Tim Bowtell, Conservative MP for Daventry, courtesy of Silverstone Circuits; and Peter Hain, now a Labour minister, courtesy of Williams Grand Prix Racing team.

Jack Cunningham, minister for agriculture, declared visits to the English National Ballet; Wimbledon, courtesy of Coca Cola; and the Globe Theatre, courtesy of Unilever; while Labour backbencher Judith Church, MP for Dagenham, went to Lord's for an England v Australia Test Match, courtesy of Gleno-Welcome; Wimbledon, courtesy of Barclays Bank; and Wimbledon (again), courtesy of Rhône Poulenot Rorer, the pharmaceutical company. Stephen Twigg, Labour MP for East Ham, who attended a performance of the Messiah at the Banqueting Hall, Whitehall, courtesy of British Gas, went to the Wimbledon Men's semi-final, also courtesy of Barclays.

The register also contains one admission from the Prime Minister, who declares: "Secondment of assistant to my Sedgefield constituency office by Barclays Bank, Newcastle, for one year, from 6 October 1997." And the Speaker, Betty Boothroyd, declares: "Three pairs of spectacles provided to me free of charge by Safilo UK." One MP said last night that it gave a new meaning to the Commons catch-phrase: "The eyes have it, the eyes have it."

-Anthony Bevins

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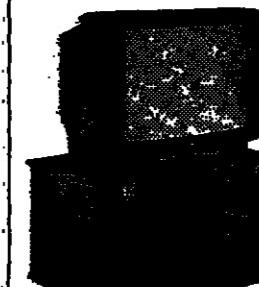
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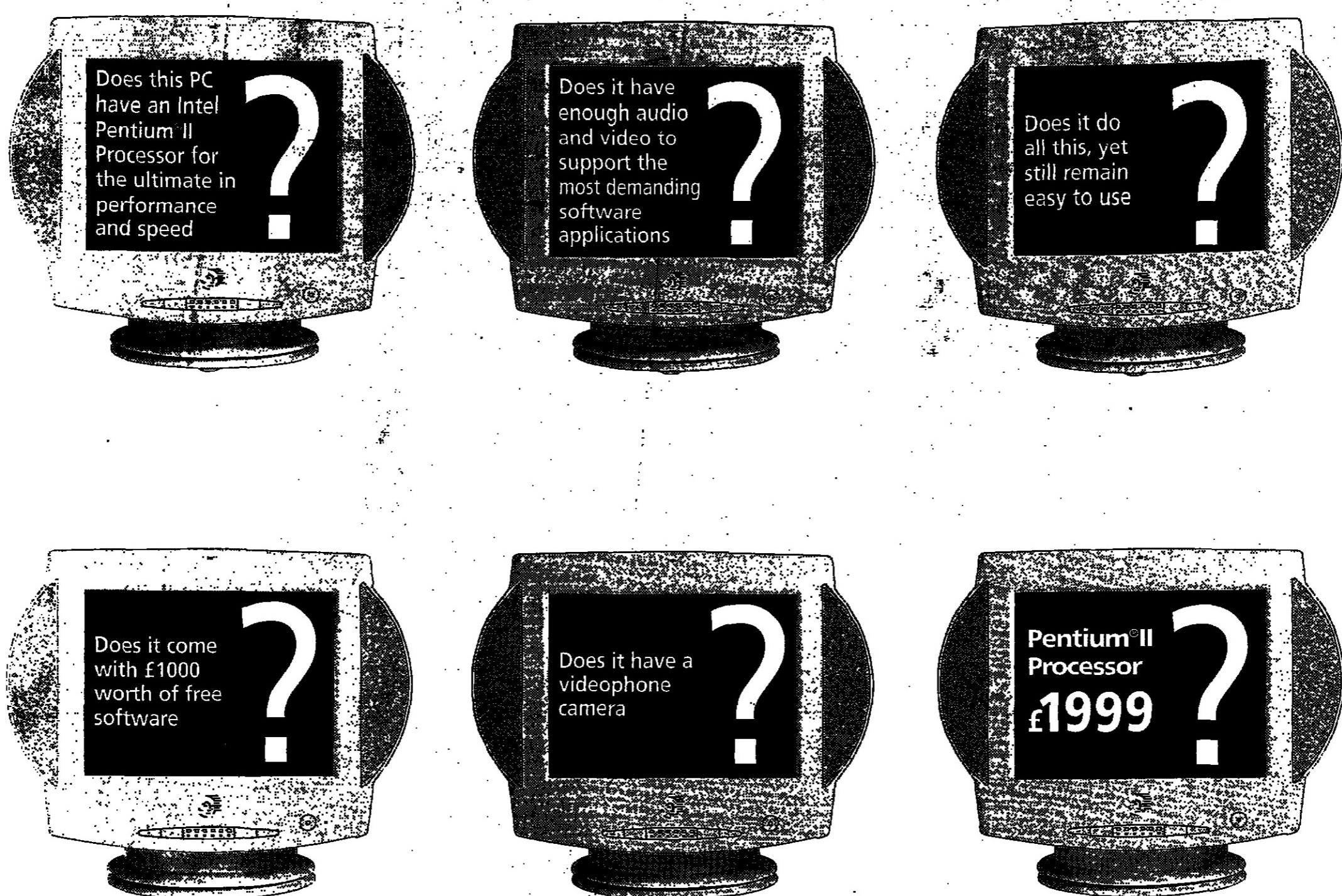
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Argos takes care of it.

Today's selection from the five poets who won this year's Paul Hamlyn Foundation Awards for Artists comes from Elizabeth Jennings's recent collection *In the Meantime* (Carcanet, £6.95).

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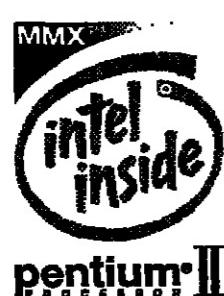
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## 13/CONSERVATION

## Rail link threatens film location with unhappy ending



**Britain's finest period film location is likely to be destroyed.** One of the last surviving parts of Dickensian London, where *Howard's End*, *101 Dalmatians* and *The French Lieutenant's Woman* were shot, will be demolished if Railtrack builds a new viaduct, writes Clare Gumer.

of Borough Market, the country's oldest covered fruit and vegetable market dating back to the 11th century. With them will go the living film set.

Christabel Albery, director of the London Film Commission, described Borough as a "unique" location. "If we lose Borough it will be a major, major problem for us. We have fewer and fewer substantial period locations left in London. I wouldn't be exaggerating to say Borough is used weekly."

Borough has a reputation for being a versatile and accommodating location. "You can get away with shooting lots of different styles of sequences," said Ms Albery. "You can use the shops, the market itself, the streets, Southwark Cathedral, the arches. You can shoot any period from 1820 onwards — They're also unusual here in that they are pro-film. Lots of communities go into thinking film-makers are a nuisance, but you come here and you're welcomed with open arms."

Just last week Christian McWilliams, a freelance location manager, showed around London the American director of *Entrapment*, a 20th Century Fox film, starring Sean Connery, to be shot next year.

"I took him to the Lloyd's Building and Canary Wharf, but he said Borough was the one place he knew he wanted to come to," said Mr McWilliams. "I bring film-makers here because of the architecture, atmosphere and streets. There's nothing like it in London."

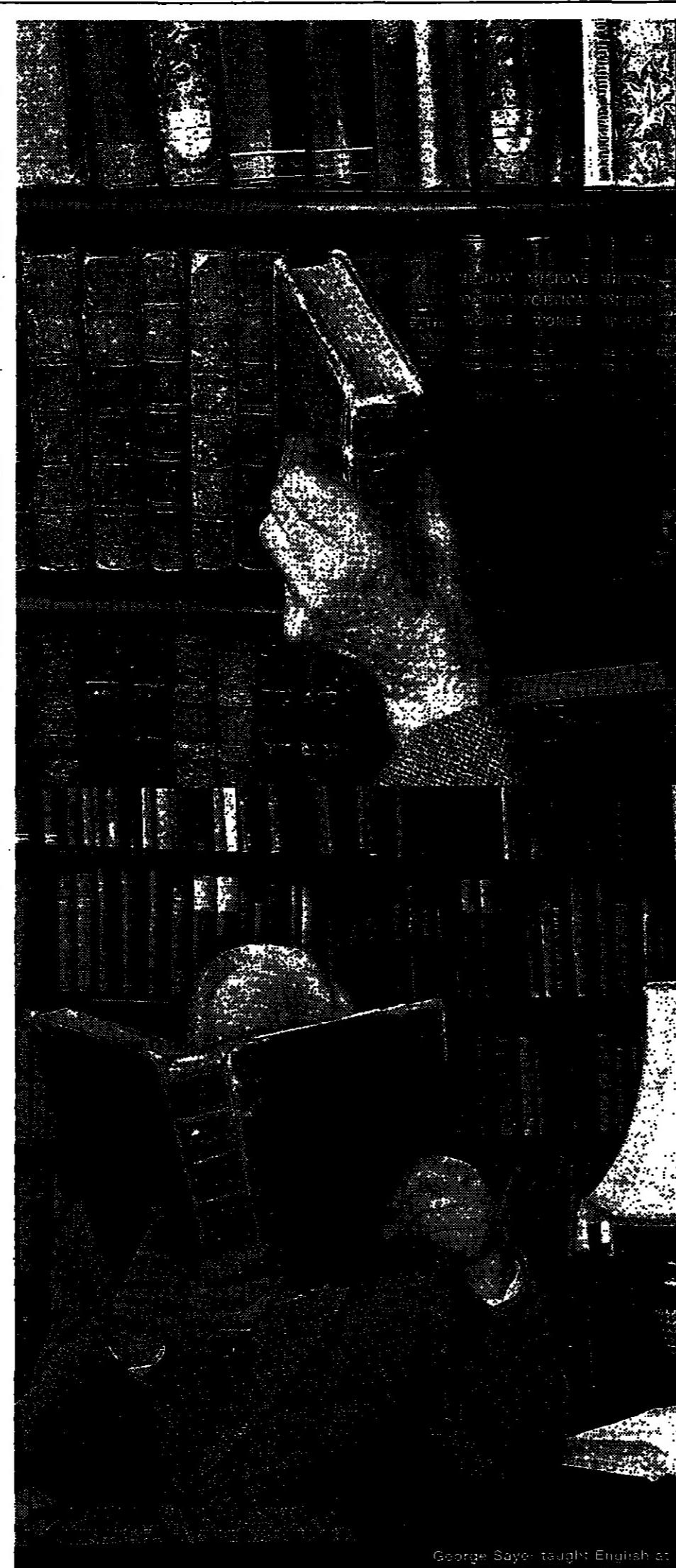
Most recently, she allowed her caff to be converted into a butcher's shop for the film version of George Orwell's novel *Keep the Aspidistra Flying*, starring Helena Bonham Carter and Richard E Grant, which is released today. Soon, however, it won't be a location fee that she is picking up, but a relocation fee.

Railtrack has issued a compulsory purchase order on Maria's old-fashioned caff, where she lives and works with her daughter Marlene. When told they would receive £1,500 in return for leaving, they knew their days of serving bubble and squeak to the stars were numbered. "The supermarket has been slowly destroying the market. Now they want to do this Thameslink, they will destroy us completely," said Maria.

Nineteen other households in this pocket of the past have been issued with the same order by Railtrack, whose £580m Thameslink 2000 project is designed to improve public transport in the South-east. The 1787 Wheatsheaf pub will be demolished, as will Green Dragon Court, with its simple Georgian facades, and the roof



Life on the street: Homes and businesses opposite Borough Market, Britain's oldest covered fruit and vegetable market (left), are to be demolished to make way for a railway viaduct. But with their demise will go a unique period location, used most recently for the film version of *Keep the Aspidistra Flying* (far left), starring Richard E Grant. Main photograph: Rui Xavier



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## Lebed stakes up fears over Russia's suitcase A-bombs

When Alexander Lebed first claimed the Soviet Union had manufactured suitcase-sized nuclear bombs, his remarks were dismissed as nonsense. Yesterday, as Phil Rees reports, he supplied fuel to a controversy that will not go away.

The former head of Russia's Security Council, Alexander Lebed, has added new flesh to his claim that the Soviet Union manufactured suitcase-sized nuclear bombs, by publicly announcing their name, weight and specific purpose.

Undeterred by Moscow's

denials that such bombs ever existed, the former paratrooper general said they comprise a land-based weapon called RA-115 and an underwater variant, the RA-115-01. They weigh 30kg, he said, and were "very compact" weapons designed to destroy warehouses and control rooms.

Although he did not specifically repeat his view that some of Russia's stockpile of the bombs are unaccounted for, his remarks are likely to anger the government, which has pooh-poohed the allegations.

Igor Valynkin, whose department in the Defence Ministry oversees nuclear security, said in September that "nuclear suitcases have never been produced and are not now being

produced," although he admitted the existence of nuclear mines. Moscow's disclaimers have been echoed by Western diplomats. But Mr Lebed's allegations have been taken more seriously by military and diplomatic circles than known in the Soviet Union and US developed small tactical nuclear weapons during the Cold War.

Alexander Yablokov, a former Yeltsin adviser, said portable nuclear bombs were made in the 1970s for terrorist purposes. Last month he told a US congressional committee he was "absolutely certain" they existed and had met someone involved in their construction.

This month reports circulated that he was summoned to the Kremlin to draw up a pres-

idential decree on bringing "compact nuclear weapons" under secure control and arranging for their destruction.

Others outside Russia also appear to be convinced: when asked by *The Independent* about the bombs several weeks ago, a Western military source said: "We know about them."

Mr Lebed, speaking at a press conference promoting his latest book, said none of the alleged weapons had been authorised for use by the government.

"Now we can be pretty sure that they won't be, they have turned from ammunition of national importance into a potentially perfect weapon for nuclear terrorism and nuclear blackmail."



Model cause: Part of a collection 80 Barbie dolls on display in Milan, most dressed by top fashion designers such as Versace and Gucci. They are to be auctioned in aid of breast cancer prevention. Photograph: Stefano Relladini/Retna

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# 15/BASQUES

THE INDEPENDENT  
FRIDAY  
21 NOVEMBER 1997  
15

## Eta signals an end to the bloodshed

Eta, the Basque separatist group, yesterday made its first serious conciliatory gesture for years, potentially opening the way for dialogue to end three decades of violence. Elizabeth Nash asks whether the breakthrough amounts to more than rhetoric.

The Basque separatist organisation Eta yesterday announced the "total suspension of planned actions" in its campaign to bring prisoners dispersed throughout Spain to jail nearer home in the Basque country. They called instead for "Basque citizens, institutions and political parties to unite to multiply pressures for prisoners' rights, to achieve the goal of transferring prisoners". If these words are translated into deeds, it would mean the most important policy change for the armed organisation for years, in admission that its bombs-and-bullets strategy had failed. For more than two years, Eta has been conducting a high-profile "prisons campaign", attacking prison officers and carrying out hunger strikes and behind-bars protests.

The announcement, published in the Basque pro-Eta newspaper *Egin*, came ahead of a meeting last night of the interior minister, Jaime Mayor Oreja, with Basque parliamentary leaders to discuss policy towards prisoners. Mr Oreja said yesterday in response to Eta's statement: "Eta must say clearly it will stop killing ... That's the only thing Spaniards want to know."

Basque leaders have cautiously welcomed the move. The leader of the conservative Basque Nationalist Party (PNV) MP in Madrid, Inaki Anasagasti, hailed the declaration as "a little truce".

The turnaround seems to have been prompted by the realisation that armed action have been catastrophically counterproductive, prompting anti-Eta mobilisations of millions throughout Spain. In 1996, Eta kidnapped the prison officer Jse Antonio Ortega Lara, saying they would release him only when Eta prisoners were moved to the Basque country.

In July, police rescued Mr Ortega Lara from an underground hole after 532 days of captivity that left him a broken man. Days later, Eta kidnapped a conservative councillor, Miguel Angel Blanco, in the Basque

village of Errmita, and threatened to kill him unless the government met demands on prisoners. The government refused, and Blanco was killed, prompting the biggest outpouring of popular protest Spain has seen.

Eta has been very quiet since then, and it was widely felt in Basque political circles that the July events had humiliated the organisation and plunged it into crisis. The cause was not helped by having 23 leaders of the pro-Eta Herri Batasuna party on trial before the supreme court charged with collaborating with terrorists. A verdict is due shortly, but attempts by HB to drum up protests

against the trial were a conspicuous flop. Indications were that Eta sympathisers were putting out feelers to try to recoup lost ground in Basque public opinion. One prominent lawyer in Bilbao, a former HB leader cast out by younger radicals, when questioned recently about this possibility laughed and said: "People who have cut me for years are now greeting me in the street ... I think something is up."

More specific was Joseba Egibar, deputy leader of the PNV which controls the Basque regional government and is an ally of the ruling Popular Party in Madrid.

Speaking recently in San Sebastian, regional capital of Guipuzcoa where Eta sympathies are concentrated, Mr Egibar said: "HB has told us they want to take the political lead, as Sinn Fein has done in its relation with the IRA, and no longer behave as Eta's puppet. We also hear that if HB adopts this strategy, then Eta might conclude that the armed struggle no longer serves any purpose."

Another straw in the wind was offered by the Bishop of San Sebastian, Jose Maria Setien, who said this month that talks with Eta should occur even before the gunmen declared a cease-fire. "Let's talk first

and see if it's possible to negotiate, and what conditions are necessary." This argument contradicts the government's view that contact is unthinkable until Eta lays down arms. Bishop Setien, who is widely respected in the region, was denounced in Madrid as a Nazi and a madman. But fellow bishops have quietly lined up behind him.

Mr Mayor Oreja has long been under pressure from his Basque allies to improve prisoners' conditions. But the realisation that concessions now will be hailed by Eta as vindication of their new line must taste like ashes in his mouth.



Civil war: A supporter of the pro Eta Herri Batasuna party clashes with fellow Basques after the death of hostage Miguel Blanco. Photograph: Desmond Boylan

## Sinn Fein seen as an example

Although many differences exist between Eta and the IRA, there are also striking similarities between the stages now reached in the violent separatist campaign waged by Basques and by Irish republicans.

The close links which exist between Sinn Fein and some Basque organisations mean that Eta will be well informed about the Irish peace process. This, over a period of years, has led to the present IRA ceasefire and the consequent inclusion of Sinn Fein in multi-party talks on Northern Ireland's future.

The fact that both conflicts have dragged on for up to three decades is important, in that sheer longevity was a factor in bringing republicans to rethink their approach. When violence has gone on so long, with no ultimate victory in sight, those involved tend to become more thoughtful, often more politicised, and sometimes ready to examine alternatives to bombs.

The suggestion is now that Eta violence might in time take second place to the activity of a developing political wing. Although many continue to regard the IRA with the utmost suspicion, it is indisputable that its political wing, Sinn Fein, has grown more and more important within the movement.

The hope of both the British and Irish governments is not that Sinn Fein will at any point defeat the IRA. Rather, the theory is that, as Sinn Fein becomes ever more deeply immersed in politics, a return to IRA bombing will come to be seen as unthinkable.

An important part of this theory is that a political avenue should be opened so that the more political elements can make progress, and gradually convince the militarists that politics can achieve more than terrorism.

In Ireland, the issue of prisoners has also proved important, republicans and reformers arguing that early releases or transfers closer to home can help create goodwill.

— David McKittrick  
Ireland Correspondent

## SOFTENER.

How have we cushioned the blow  
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## North Korea spy takes suicide pill

South Korea announced it has arrested several members of a North Korean spy ring. The spies' assignments throw light on the North's continuing obsession with overthrowing the South

South Korea's intelligence agency said yesterday it had uncovered a North Korean spy ring and arrested six agents, including a prominent professor at Seoul's top university.

A husband-and-wife team described as "moles" were also arrested. However, the woman committed suicide during the investigation, the Agency for National Security Planning (NSP) announced.

The spy ring was discovered last month, when an official of a left-wing group reported to the police that he had been contacted by the couple, who had tried to recruit him.

The intelligence agency said the couple, Choi Chung-nam, 35, and Kang Yun-jung, 28, had been sent to the South in August, slipping in through the west coast in a submarine. The agency said the two had married in 1990 in Pyongyang under orders from their spymaster and had named their son "Nam-huk" short for "Revolution in South Chosun [Korea]."

Their assignment in South Korea included contacting resident spies, recruiting new members, gathering bus, train and plane schedules, finding corn seeds and locating the

safe house of a top North Korean defector Hwang Jang-yop.

A preliminary investigation of the couple led to the detention of Koh Young-hak, 69, an honorary professor at Seoul National University. Professor Koh, whose uncle went North during the 1950-53 Korean War, became a spy in 1961, though he portrayed himself as an anti-North Korean conservative.

The intelligence unit also detained a family of three, saying that the family head, Shim Chung-wong, 55, an official at the Seoul Metropolitan Subway, had been ordered to devise plans to paralyse the city's subway system.

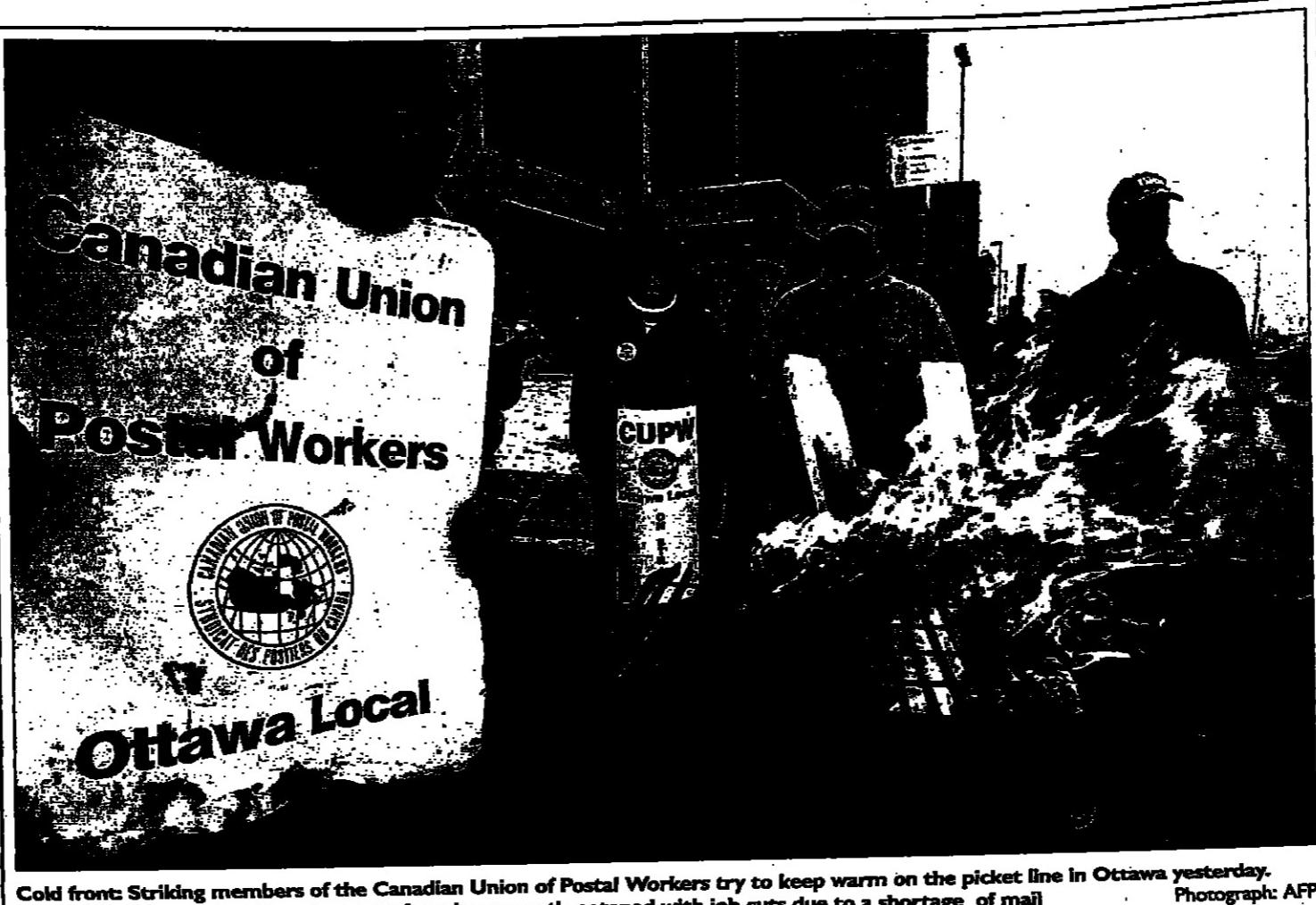
The probe also found that Li Il-nam, the nephew of North Korean leader Kim Jong-il's former wife, had been assassinated by agents from the North. The agency said that Li, who had defected to the South, was shot to death in February.

The agency said five of those detained would be prosecuted for violating the country's National Security Law.

Kang Yun-jung killed herself during the investigation with a capsule of liquefied cyanide gas hidden in her vagina.

A senior investigator Koh Song-jin told a news conference: "She was taken to a bathroom escorted by a female investigator. While trying to wash herself she suddenly took out the capsule from deep inside her ... We rushed her to the hospital."

"I have come for the unification of my nation and I cannot betray General Kim Jong-il." Mrs Kang was quoted as saying when she was first detained.



Cold front: Striking members of the Canadian Union of Postal Workers try to keep warm on the picket line in Ottawa yesterday. Around 45,000 postal staff walked out after they were threatened with job cuts due to a shortage of mail. Photograph: AFP

## US environmental chief quits for UN post

Casting a shadow over critical global warming talks that begin on 1 December in Kyoto, Japan, Tim Wirth, the US Under-Secretary of State who had been expected to lead the American delegation, is resigning his post in order to manage the \$1bn donation recently made by Ted Turner, the American media magnate who founded CNN, to the United Nations.

Although Mr Wirth, 57, who is a former US Senator from Colorado and a longtime supporter of the environment movement, will not technically leave the State Department until the year's end, it was thought likely yesterday that he would be replaced as leader of the United States team at the Kyoto talks.

The unexpected change dismayed many in the environmental community. The Kyoto meeting, which aims to bring 160 countries together to sign a global treaty on reducing the emission of green-

house gases, faces possible failure because of a wide gap between the European Union and the United States. Hopes that those differences could be bridged were partially being pinned on Mr Wirth.

"It's not a great signal," said Greg Whetstone,

of the Natural Resources Defense Council in Washington. He emphasised that Mr Wirth's presence in Kyoto was considered vital because of his

"intimate familiarity" with the complicated issues involved.

Just a week ago, Mr Wirth confirmed that there were "still significant disagreements" between the EU and the US on the agenda for Kyoto. Washington wants a treaty that would return emissions of gases like carbon dioxide to 1990 levels. Taking a harder line, however, Europe wants emissions reduced to 15 per cent of what they were in 1990.

Mr Wirth has publicly denied that he was

motivated to leave the State Department because of any frustration with the US position ahead of Kyoto. Rather, he said, he was attracted by the challenge of being President of the United Nations Fund that is to manage the historic donation made by Mr Turner two months ago. Mr Wirth will raise additional money and oversee distribution of cash to UN projects.

But in detailing all of the areas in which he expects to the new fund to operate, ranging from immigration, to international crime and the environment itself, Mr Wirth hinted at dissatisfaction with how the US government, and the State Department functions. "These are new issues," he told the New York Times. "We have these new issues and in a way you have old bottles. You have systems set up at the State Department and elsewhere that were designed for a Cold War era."

— David Usborne, New York

## Genocide suspects die in jail attack

Almost 300 people died when Rwandan Hutu insurgents attacked a jail for genocide suspects in north-western Rwanda, a regional military commander said.

Kayumba Nyamwasa said 1,200 rebels attacked the jail in Gicye, east of Gisenyi, on Monday during fighting between the army and rebels; 88 prisoners died, most of them caught in the crossfire as they tried to escape. Others were burned to death as the rebels firebombed the jail; 93 prisoners escaped.

The attack led to two more days of fighting, in which, Colonel Kayumba said, two soldiers and 200 rebels died. The jail, a makeshift detention centre, is one of hundreds around the country housing many of the estimated 120,000 people awaiting trial on charges of involvement in the 1994 genocide, in which 800,000 Tutsis and Hutu opponents of the regime were killed.

It appears the rebels were trying to free their fellow Hutus, presumably to boost their own numbers. It is less clear why the rebels should have set fire to the prison. Col Kayumba ruled out the possibility that the soldiers had attacked the prisoners. There have been a number of similar attacks since the insurgents stepped up their campaign of violence in May.

— Amelie French, Kigali

## Jerusalem shooting

A gunman ambushed two Jewish seminary students in the Old City of Jerusalem yesterday, killing one and seriously wounding the other. The student belonged to a group called Ataret Cohenim (Crown of the Priests), which is dedicated to replacing Palestinians with Jews in the historic areas of the city.

The attacker used a sub-machine gun to shoot one student in the leg and fired six more rounds after he fell to the ground, killing him, police said. He was named as Gabriel Hirschberg, 26, who moved to Israel from Hungary eight years ago.

The second student, wounded three times, fled to a nearby house in the Muslim quarter of the city in which the cabinet minister Ariel Sharon nominally lives, though it is also owned by Ataret Cohenim. The attack shows the mounting tension between Israelis and Palestinians over control of the holy places of Jerusalem.

— Patrick Cockburn, Jerusalem

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## 17/POLITICS

**Blair backs Harman over cut in lone-parent benefit**

The Government was facing rebellion by Labour MPs on a £6-a-week cut for new claimants of lone-parent benefit. But, says Colin Brown, Chief Political Correspondent, Tony Blair is standing firmly behind Harriet Harman.

The Prime Minister's office yesterday threw its weight behind Harriet Harman to face down a growing Labour backbench revolt over a £6-a-week cut in lone-parent child benefit.

It was made clear that there would be no change in the policy, in spite of the threat by Labour MPs to try to embarrass the Government with a vote in the Commons before Christmas.

Mr Blair's personal backing

for the Secretary of State for Social Security underlines his determination not to allow her to be picked off by the left wing who are beginning to flex their muscles for the first time on the issue after a stormy confrontation at the weekly Parliamentary Labour Party meeting.

"There was a clear majority in favour of the Government's approach. We have got a number of policies being implemented to deal with poverty and

there is broad support on this too. The policy was agreed before the election and it is government policy," the Prime Minister's office said.

Diane Abbott, a left-wing member of Labour's national executive committee, blamed Gordon Brown, the Chancellor, for enforcing the policy, signalling the critics were not seeking to make it a personal confrontation with Ms Harman. "It's not really her - it's

Gordon Brown and Gordon Brown is not a great one for backing down," Ms Abbott said on BBC radio.

More than 80 MPs, including 17 Liberal Democrats, signed a Commons motion in July attacking the plans inherited from the Tories which would abolish the higher single-parent rate of income support and child benefit for future claimants - worth up to £10.50 a week for some families and £6

a week on average - if new claimants do not seek work. The move is incorporated in a Bill to implement the Government's commitment to spend £200m in a new deal to lift lone parents off welfare into work.

Another attempt will be made to reverse the policy when the Social Security Bill returns to the Commons next month after its committee stage. Ms Abbott said a wide spectrum of Labour MPs were against the

member of the Campaign Group, remained hopeful that the Government would change its policy. "Labour didn't stand on a manifesto which said we would launch first-strike attacks on single parents. The policy should be changed."

Defending herself yesterday, Ms Harman said: "I am quite determined what we should do is keep our promises to the public to stay within the budgets of the departments but also to

**Unionist talks falter**

A hotel in Belgravia was used yesterday by the Ulster Unionists and the Irish government in an attempt to kickstart the cross-party talks on Northern Ireland, which are showing little progress.

Bertie Ahern, the Irish Prime Minister, described as "friendly" his meeting with the Ulster Unionist Party leader, David Trimble, and his senior Ulster Unionist MPs.

Highlighting the friendly mood, the Unionists joked with Mr Ahern that they could take the moral high ground because they had a woman on their delegation.

But the two sides emerged after two hours with no fresh agreement. Mr Trimble said they had demanded an early commitment from the Irish government to end Ireland's constitutional claim to the North. Mr Trimble said: "We did make it clear that there has to be substantial change and change that is going to be, as it were, judge-proof. We can't have a situation where things are agreed and then it later turns out, perhaps in an Irish Supreme Court decision, that it means something quite different to what was thought."

The Taoiseach told the Unionist team that he wanted acceptance of cross-border bodies with executive powers for services such as transport, fisheries, and tourism.

The British Prime Minister, Tony Blair, is today expected to press Mr Ahern to meet the Ulster Unionists' calls for clarity on the constitutional claim at an EU summit in Luxembourg.

**Mercy killing by GPs gains support**

The Government was last night facing growing pressure to legalise mercy killing by family doctors to ease pain and suffering.

Joe Ashton, the veteran Labour MP, last night tabled a Bill to allow doctor-assisted dying for patients suffering distress as a result of terminal illness or an incurable disease.

The demands for GPs to be given legal backing for euthanasia were reinforced in a Lords debate last night led by Lord Lester amid growing concern that the law is in need of reform.

The police were yesterday believed to have passed the papers in the case against one GP to the Crown Prosecution Service for possible prosecution for administering a lethal dose of drugs to ease the pain of a terminally ill patient.

After years of fighting against motor neurone disease, Annie Lindsell last month won a High Court assurance that action by her GP, Dr Simon Holmes, to relieve her pain in her final moments would be legal. Although it fell short of the formal legal declaration that Ms

Lindsell had sought, she stopped her case declaring that it was a victory for patients all over the country.

But Mr Ashton said GPs were still facing prosecution, and the law needed clarifying. He said that his own mother's terminal illness had convinced him of the need for a change in the law. "There should be change in the law I saw my mother die with a wasting disease and she was down to four stone when she died. She often said to me that she hoped that time would come," he said.

Mr Ashton, the MP for Basildon, said that there should be strict guidelines on such mercy killing, requiring the consent of the patient's family.

The Government last night said it was still opposed to euthanasia. "Anyone alleged to have undertaken euthanasia is open to charges of murder or manslaughter. We firmly reject calls to legalise euthanasia and we note the view of the House of Lords Select Committee on Medical Ethics that a new offence of mercy killing should not be introduced."

— Colin Brown



Photograph: Peter Macdiarmid

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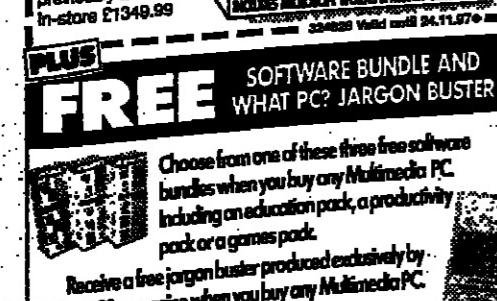
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## Dome under new attack – both inside and out

The £750m millennium Dome project drew a cynical response from MPs yesterday. David Lister and Fran Abrams hear them express surprise that no one yet knows what will be inside the Dome.

More alarm has been expressed by MPs about the millennium Dome as the centrepiece of Britain's celebrations in 2000.

As Conservatives attacked what they said was a paucity of information about the project in Greenwich, south-east London, the chairman of the Select Committee for Culture, Media and Sport said he was surprised that no thought seemed to have been given to transport within the site.

After a visit by the committee, Gerald Kaufman said children and pensioners were "going to get very tired". But when he asked about this at the site, it appeared that no thought had been given to internal transport.

Simon Jenkins, a millennium commissioner, former editor of the *Times* newspaper and one of the original architects of the project, told the committee yesterday that transport was a matter for Millennium Experience, the company organising the exhibition, but "alternatives are being explored".

Mr Jenkins came under strong questioning from Labour MP Claire Ward about the lack of public interest in the Dome and the lack of knowledge about what the exhibition might contain. Ms Ward said: "When

we first started this inquiry, I was under the impression it was the public at large who had no idea what was going to be in this exhibition. As we have proceeded, I have discovered that those involved don't know ... I still believe very strongly that we have to bring the public into this and we are not doing that."

Mr Jenkins responded: "If you take the Festival of Britain in 1951, nobody remembers the contents. They remember the buildings. In the same way the 1851 exhibition was about the Crystal Palace."

Mr Jenkins pledged that the £750m exhibition would be an "exciting show the whole world will want to see". Based around the theme of Time, it will be split into personal or body time, achievements over time and global or environmental time. There was no reason in principle why it should not continue into 2001, which many people regard as the true beginning of the new millennium, he added.

Lord Rogers of Riverside, the Dome's architect, told the committee the huge "umbrella" structure could be put to any number of uses after the exhibition, including a "village in an atrium" or a university.

Last night, the Tory culture, media and sport spokesman, Francis Maude, said the public had been given almost no information about the exhibition. "Up to £400m of lottery money has been publicly committed to the event, and no details have been given of what it is that will attract 12 million visitors ... By keeping parliament and the public in the dark, Mr Mandelson is endangering the success of the project," he said.



## Weber puts fantasies on display

Fifty-one fantasies of adolescence inspire the American photographer Bruce Weber's alternative exhibition at the Zedel Chezze Gallery in London.

The photographs of a modern Adonis concentrate sensually on a young man's physique, and run concurrently with an exhibition of Weber's more conventional work at the National Portrait Gallery.

The collection of hand-timed photographs, entitled "Chop Suey" and which opens tomorrow, traces the fantasies and possibilities of youth, through the image of a 16-year-old professional wrestler, called Peter Johnson.

Johnson is seen dressed in a variety of costumes and posed in different situations. He blends into each scene through what Weber calls his "chameleon quality". In some photographs he takes on the image of famous personalities, such as Neil Young and Serge Gainsbourg, and in others he is dressed as a Louis XIV courtier, or is seen riding a camel or an elephant.

Weber (above) took two years to produce the 51 photographs, and his inspiration came after meeting Johnson at a wrestling camp in Iowa. Weber says that Johnson's father "sent me a letter saying how beautiful his son was. I wanted to make a record for his parents".

All the photographs in the exhibition – including *Peter-Burns Dreaming* (left) – are coloured to suite the mood. Each session was embarked upon with few pre-conceived notions, but as the possibilities developed Weber says "it was like wrapping up a gift for somebody's birthday, and hoping that they liked it".

John Voos

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## US art collector gives Tate £1m Lichtenstein

An American art collector has given the Tate Gallery in London a £1m painting by Roy Lichtenstein, the quintessential American pop artist who died last September.

The work, called *Interior with Waterlilies 1991*, belongs to Lichtenstein's final thematic painting series of interiors, which he began in 1991. Derived from the style of advertisements used in the Yellow Pages directory, the images are presented in Lichtenstein's familiar style which employs striped diagonal lines, black outlines and flat areas of colour. The waterlilies of the title are part of his continuing homage to Claude Monet.

The painting will be the centrepiece of a memorial display at the Tate, which was an early supporter of Lichtenstein, from tomorrow until March next year.

The benefactor is Douglas Cramer, a collector and television producer. Mr Cramer said: "Interior with Waterlilies was the only one of Roy's works owned by the Cramer Foundation and Roy specifically told me it would give him and Dorothy [Lichtenstein's wife] great pleasure to have it find a home at the Tate Gallery."

— David Lister



*Interior with Waterlilies 1991*, given to the Tate by Douglas Cramer, the television producer responsible for *Dynasty*

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# 19/FEATURES

THE INDEPENDENT  
FRIDAY  
21 NOVEMBER 1997

## Joanne Rowling's secret is out



Joanne Rowling: 'I didn't tell anyone. People would ask me what I had been doing and I would just say I'd been out walking'

Photograph: Graham Barday

**With lightning speed, Joanne Rowling's first book has propelled her from struggling single mother to prize-winning children's author. She tells Ann Treneman that it's as if she'd stepped into one of her own stories ...**

Joanne Rowling is a star now but you can tell that she does not really believe it yet. Just a few years ago she was penniless single mother living on benefit in a grubby flat in Edinburgh. Now, at 32, she is well on her way to being a rich and famous children's writer. Her book *Harry Potter and the Philosopher's Stone* has sold 30,000 copies – a phenomenal number for a children's book – and this week it won the Smarties Book Prize. She is thrilled but, when we meet, she seems more star-struck than star-like.

"I never ever dreamt this would happen. My realistic side had allowed myself to think that I might get one good review in a national newspaper," she says as her four-year-old daughter Jessica plays with a Hercules doll next to her. "That was my idea of a peak. So everything else really has been like stepping into Wonderland for me."

And that was no small step in a number of ways. Joanne has been a secret scribbler all her life – "I remember vividly writing a book when I was five about a rabbit named Rabbit who had the measles" – but she never saw herself as a writer. Her scribbles were for her eyes only and the only people who even knew about it were those who lived with her and saw how the pa-

per kept stacking up. It was a compulsion that was to carry her through her childhood in the Forest of Dean, her university days at Exeter and, later, through endless lunches when she worked as a secretary and a teacher.

"It was a secret. People at the office used ask me if I was coming down the pub and I would say that I was going shopping. And then they would ask me what I had bought! I just felt embarrassed about saying, well, actually I'm writing a book. I've met so many people in bars who say they are writing a book and it means that they've written down a few ideas in a notebook."

In Joanne's case, however, what it means is books as in plural. At the moment her drawers are full of two novels for adults – "I must remember to burn them before anyone reads them" – and boxes of manuscripts about Harry Potter, the boy wizard who is rescued by owls and attends the Hogwarts School of Witchcraft and Wizardry. Harry is magic and is certain to become a legend as the star of Rowling's whimsical novels.

The story of how Potter came to be is almost as engaging as the boy wizard himself. Joanne had the idea in 1990 during a train trip from Manchester to London. "It was extraordinary because I had never planned to write for children. Harry came to me immediately, as did the school and a few of the other characters such as Nearly Headless Nick, the ghost whose head is not quite cut off. The train was delayed and for hours I sat there, thinking and thinking and thinking."

When she got home, she started to write.

She was still scribbling away the following year

when she went abroad to teach English as a foreign language. There, she got married to a Portuguese journalist and had Jessica. The marriage didn't last and, when Jessica was just three months old, Joanne headed back to Britain with a suitcase full of nappies and Harry Potter adventures. She went to Edinburgh to visit her sister for Christmas and decided to stay. "I decided it would be easier to be utterly poverty-stricken in Edinburgh than London."

For the first time in her life Joanne did not have a proper job. She couldn't afford child care and for six months lived on benefit. "I decided this really was crunch time. I told myself that I was going to carve a book out of this mass of papers." Thus began an extraordinary – and secret – effort. "I didn't tell anyone. People would ask me what I had been doing and I would just say out walking. I think they thought I was very strange and possibly depressed. What I was actually doing was walking round town with Jessica in the pushchair. When she fell asleep I would run into a cafe and write for two hours."

I say that it sounds pretty strange. "I was aware of how barmy it sounded and I do think the few I told thought it was barmy. I think they thought: Oh my god, she's really on her uppers and now she wants to write a book!" She went to the library and looked up a list of children's book agents. She couldn't believe it when the first one she wrote to, Christopher Little, wrote back and asked to see the rest of her book. She read that letter eight times. "It was an extraordinary moment because it was a tiny speck of

light at the end of the tunnel."

That speck soon started to glow and then glared. The book was snapped up by Bloomsbury and Rowling received a substantial advance. She is particularly pleased about winning the Smarties prize (ages nine to 12) as it is judged by both adults and children. The book has now been sold to eight countries – the American deal alone was worth some \$100,000 – and Hollywood is interested too. "When the American deal came through, that meant security. It means that I can buy a flat. It means not worrying. The constant mind-blowing worry of wondering if you are going to be able to last the week without buying another pack of nappies. That is how it was and it is a horrible, horrible way to live."

Gradually she is adjusting to the good life. "I have my moments. The other day in Edinburgh I went to my favourite cafe to reread the edited version of the second Harry book (she plans seven in all). Jessie was in nursery, because now I have the money to pay for her to go to one that she likes. I had a sticky bun and a cup of hot chocolate and I had this moment of divine revelation. I thought I am the luckiest person in the world. I am now being paid to do what I have been doing my whole life for nothing. I can sit here and know that this book is actually going to be published. Then I suddenly realised: I am a writer. I'm being paid for it now. This is not my secret shameful habit that I don't tell anyone about any longer."

*'Harry Potter and the Philosopher's Stone'* is published by Bloomsbury, price £4.99.

## Will the real Winnie Mandela please stand down



Photographs: Rex

I'm every woman: from devoted spouse and heroic freedom fighter to fallen idol and political harridan. For every challenge she presents a different face, says John Carlin. But behind the carefully painted layers, the truth about Winnie Mandela just gets uglier.

Take your pick. Brave Winnie, bad Winnie. Pensive Winnie, scheming Winnie. Doting wife Winnie, dissembling cuckolder Winnie. Thoroughly modern Winnie, corrupt mamma Winnie. The African National Congress, having sat on the fence for far too long, has finally chosen. In a blistering attack in a Johannesburg newspaper yesterday, an article signed by Steve Tshwete, the Minister for Sport, described Winnie Mandela as a paranoid, self-serving, treacherous charlatan. No one is in any doubt that Mr Tshwete was expressing the hitherto-repressed views of the

leadership of Nelson Mandela's government.

So at last it's official. The Mother of the Nation is, after all, the Mugger of the Nation. Winnie, as a celebrated South African newspaper headline once put it, is in the Poob. For no longer can she paint her detractors to be "elements of the white liberal press" working hand-in-glove with sinister agents of the old apartheid regime. The empress's clothes have been removed and the dirty secret that festered in the bosom of the world's most illustrious liberation movement has been exposed for all the world to see.

The organisers of last month's Million Woman March in Philadelphia, a celebration of black American women's devotion to family values and social responsibility, may now feel a pang of retrospective shame at their decision to honour Mrs Mandela with an in-

vitation to be their keynote speaker. They and the rest of her admirers abroad, those who wanted to believe that the real Winnie is the female Martin Luther King/Jeanne d'Arc figure she has so diligently sought to portray, will not be inviting her again any time soon.

Yet to have kept the myth alive, to have fooled so many people for so much of the time, has required a certain genius, however tinged with evil and madness. There is method in her multiple personality disorder. It is the method of those biologically-refined political animals – whether Tony Blair or Mobutu Sese Seko – whose every nerve-ending is tuned for the pursuit and retention of power.

In the days leading up to her husband's release from prison she played the part of the quivering virgin, seeming to con-

tendable instinct, combined with a rare talent for populist manipulation. She knows what faces to prepare for the faces that she meets; she fits her language, her style of dress, her varied collection of wigs to meet the expectations of each crowd.

In her latest incarnation as Queen of the Poor, Evita, to those sectors of society most susceptible to her rhetorical fraudulence, she had built a political platform for what seemed like her frighteningly plausible bid for the South African deputy presidency.

By acting now, the ANC leadership hope they have banished the possibility that one day Mrs Mandela could be a heartbeat away from becoming yet another all-powerful monster on the African political scene. But don't rule her out. Right now she is, once again, repainting her face, rewriting her script.

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## Bill Clinton 0, Saddam Hussein 1. So what is the US strategy?



EDITOR: ANDREW MARR.  
DEPUTY EDITOR: COLIN HUGHES.  
ADDRESS: 1 CANADA SQUARE,  
CANARY WHARF,  
LONDON E14 5DL  
TELEPHONE: 0171 293 2000  
OR 0171 345 2000  
FAX: 0171 293 2435  
OR 0171 345 2435

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### Reviving the NHS

Sir: With NHS waiting lists rising again (report, 18 November), last week's unveiling of the Government's plans for transferring secondary healthcare purchasing to GP collectives prompted another airing of your belief that the internal market has provided a "leverage to efficiency" in the NHS (leader, 12 November). If this were true, any benefits have been squandered by the extravagant contractual paper chase inherent in the purchaser/provider split.

The longer-term contracts proposed should reduce bureaucracy and there is a slim hope that GP collectives will prove more sensitive than health authority officials in judging priorities in hospital practice. However, the fundamental flaw in the contractual approach to hospital funding will remain: over-performance is anathema and trusts invariably strive to do the minimum for their allotted income. By this time of year, a large proportion of surgical teams are under instruction not to treat waiting-list patients covered by completed health authority contracts or by the increasing proportion of impudent GP fundholders. These restrictions apply irrespective of spare capacity and the knowledge that 70 per cent of NHS spending is consumed by salaries, so that the cost of treating additional patients in terms of drugs and disposables is relatively small.

Before 1990, the ethos of NHS hospitals was to undertake as much activity as possible within a fixed budgetary allocation. The challenge to the Health Secretary is to revive this simple concept alongside rigorous resource management and performance monitoring. The information systems necessary for analysis of activity and outcome are in place. A national inspectorate ("Officick") could set standards and should be able to reward excellence or improvement with modest financial incentives in the form of development grants.

MALCOLM SIMMS  
Consultant Surgeon  
Selly Oak Hospital  
Birmingham

Sir: Last month, I was referred by my GP for an emergency consultation with a specialist at Bedford County Hospital after

months of muscular pain in my shoulders. A week later, I received an appointment four months hence. By taking a short-term cancellation, however, I saw him three weeks ago. Among the treatment prescribed was physiotherapy once a week at the hospital.

On the first appointment, my eyes fell on a notice stuck to the wall in my cubicle. It stated that over the last 12 months, an average of six hundred appointments per month had failed to show. According to the staff, none had cancelled in advance, so no one on the waiting list could have those missed appointments.

No wonder waiting lists are so long, and rising. One solution would be to levy a fine for non-appearance without a legitimate excuse. The money raised would be of use to our beleaguered NHS.

MICHAEL JOHNSON  
Cranfield, Bedfordshire

### Challenge to Islam

Sir: This time last year we were at Luxor, and we are horrified at what happened on Monday. We loved Egypt so much we are booked to return this weekend. We hope still to be able to go.

We were able to discuss with our tour guide the modern Egypt - its culture, customs, education and political system. I remember asking him, a devout Muslim, his views on those we describe as Islamic fundamentalists in Iran, Afghanistan and elsewhere. He became quite aggressive, describing them as being far from the teachings of Mohammed. In his view they were simply people seeking power at any cost.

Is it not time for the religious leaders of Islam to speak out and not only condemn these atrocities, but make clear that the perpetrators do not represent the teachings of the Prophet? Or are they to remain

silent, like the Christian hierarchy who failed to condemn the Nazis? It is not easy to stand up and condemn dangerous fanatics. But history shows that the alternative is worse.

NEIL MACMILLAN  
Harpenden, Hertfordshire

### All my own work

Sir: Michael Streeter claims that a draft part of the latest revision of the Government Information Service's Red Book shows the "unmistakable hand" of Alastair Campbell ("New Labour puts its spin on government information", 20 November).

Actually, the hands are mine alone, and they describe the best practices to be found within the GIS now. My intention - agreed with fellow Heads of Information - is to make them universal. Furthermore, the "high-minded words" reflect those in the current Red Book, published years ago.

For the record, my department and others equipped duty press officers with the kit which amazes your reporter well before the last general election - not least to help careful journalists check the facts.

MIKE GRANATT  
Head of the Government Information Service  
Home Office  
London SW1

### Chaplin's childhood

Sir: Your article (18 November) on a newly discovered film on the life of Charlie Chaplin suggested that Chaplin didn't want it released because it "revealed his working-class beginnings" - implying that he was a snob.

Chaplin constantly spoke about his horrendous Lambeth childhood and wrote about it at length in his autobiography. He spoke about his birthplace at East Lane, Walworth, and how, when his

mother was taken into a mental hospital, he endured first the horror of a Victorian orphanage and then his struggle to survive the streets by scavenging for food out of hotel dustbins.

If Chaplin didn't wish the film to be released it was probably because he objected to impersonators. While he lived his screen character was his own copyright.

JOSIE STEPHENSON  
Brentwood, Essex

### Smoking gun

Sir: Michael S Maxson (letter, 15 November) claims that he has never seen a restaurant in which you could not smoke in the US. I can list four restaurants on my block in which smoking is not only not permitted but against the law.

You called such bars "American-style". Mr Maxson is from Toledo, Ohio, and his letter suggests that Toledo is America.

This attitude that anything not in my back yard is of little concern is frighteningly American-style. It gives Americans a bad name and leads to our government's unwillingness to ban landmines (they aren't lurking in Toledo's baseball fields) and willingness to bomb countries that won't behave.

KENDRA BARBER  
New York

### Old technology

Sir: I am intrigued. Esther Dyson (Ann Treneman interview, 19 November) is "at the cutting edge". She "logs 250,000 air miles a year". Hasn't she heard of tele-conferencing? She has now published *Release 2.0: A Design for Living in the Digital Age* as a printed book, using 16th-century technology. Hasn't she heard of the Internet?

GEMMA O'CONNOR  
Oxford

### Bath, bed and table

Sir: "In the bathroom of 2020 the water drains through the steam slots in the stone floor to be recycled in a reed-bed and returned to the water table." (Architecture, 20 November.)

Our cesspit does that.  
ROBERT VINCENT  
Andover, Hampshire

### Biblical beards

Sir: Your correspondents (13, 14, 19 November) speculate on whether or not Jesus wore a beard. I'm just wondering how, or indeed why, Canadian fishermen would shave.

ANNE CURRIE  
Richmond, North Yorkshire

## Dilemma: watch big men in bulky underwear, or play pool and eat chicken wings



MILES  
KINGTON

I think I now know what happens when a Canadian comes to Britain for the first time.

What happens is that this newly arrived Canadian clears immigration, goes to where he is staying, unpacks and walks down the road to find a British pub. He goes into the pub and buys a drink, then turns to look at the television set which is switched on beside the bar and almost faints with horror because there is no ice hockey game showing.

I base this observation on my experience last weekend, which I spent working on Vancouver Island in the west of Canada, and where I went into as many pubs as possible for reasons which seemed good at the time. In every pub I visited there was

a television set on and every time I looked at the TV set it was showing an ice hockey game. Big men in bulky underwear were wheeling and dealing across the ice, often avoiding each other on purpose, often crashing into each other on purpose, and very occasionally scoring goals.

Everyone was wound up to breaking point, with one strange exception. The players on the ice seemed tense to the point of snapping. The players waiting to come on at the side looked like troops about to leave the trenches and charge the Germans. The crowd at the stadium were going wild. The only people who showed no interest at all in the game were the people in the pub where the

game was showing. I think I was the only person I ever saw in any of these pubs watching these games.

Apart from Gary, who was a man I met in a nice pub called the Horseshoe Bay Hotel in a nice town called Chemainus on Vancouver Island (which sounds small but is actually the size of Wales) and he was watching an ice hockey game on TV between Edmonton and Calgary. He was the only man watching this game apart from me. We sat and watched while everyone else in the pub ate, drank and played pool, including one man who had ordered 50 chicken wings and was slowly picking and licking his way through these joyless objects, which apparently he did every

time he came in, and for all I know he may have decided that it is more enjoyable than watching ice hockey on TV.

"You a stranger?" said Gary.

I said I was a stranger. He said he was a goldsmith. He gave me a card more covered in gold than any card I have seen, so maybe he is a goldsmith at that.

"Why are you watching this game?" I said. "Nobody else is."

"I grew up in Calgary," he said. "I'd like to see them beat Edmonton."

It came as a surprise to me to learn that this was a game between one town and the next. Until then I had started to believe that there was only one ice hockey game on Canadian TV, just one never-ending, 24-hour, non-stop, perpetual, ceaseless

ice hockey game somewhere in Canada, which goes endlessly simply for the purpose of being relayed to bars up and down Canada where nobody except me and Gary watches it, but this cast a new light on matters.

"Which is Edmonton and which is Calgary?" I asked.

"Edmonton are the bad-tempered ones," he said.

As aggressiveness seemed to be shared out fairly between both teams, this was not much help. If it had been basketball it might have been different...

I have to be honest and admit that I did once go into a bar this last weekend in Canada where there was no ice hockey match on the TV. There was a basketball match instead. Basketball is a game for extreme-

chicken wings. Or anything but watching ice hockey. Except me and Gary the goldsmith.

"Well, that's a draw," said Gary, disgusted, as after the last possible period of overtime it was still 15-15 to Edmonton and to Calgary. "I won't be watching another match for a while."

"I won't even be here for the next match," I said, as we started watching the first of the interminable after-match interviews, and spontaneously switched off. "So I won't be watching any more ice hockey either. I may not see any more ice hockey ever again in my life."

I just think that the people who run Canadian TV ought to know that last week only me and Gary were watching ice hockey and that this week nobody is.

When  
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OWN  
THE

## When dangerous liaisons make useful bedfellows



DONALD  
MACINTYRE  
LABOUR'S  
NEW ALLIES

After 18 years of the Tories, it's still a shock to see John Prescott sharing a joke, as the caption writers sadly no longer say, with the Queen Mother at her daughter's golden wedding lunch. The television pictures of the last 48 hours have done a lot to lodge in the collective psyche the image of Labour as the natural party of government. It may mean ministers mingling, as they did yesterday at Westminster Abbey, with a lot of unfamiliar and obscure members of the coffee-drinking monachies. But the Royal Family still counts for something as a symbol; these are television pictures you couldn't buy.

Nevertheless, there is more to Tony Blair's ringmaster role in yesterday's celebrations than that. First, the Prime Minister's gushing words at yesterday's People's Banquet went way beyond the routinely respectful. Tony Blair's public assumption of an almost Victorian role as royal counsellor, cemented after the death of Princess Diana, is something John Major, let alone Margaret Thatcher, never quite managed. And what's more, his lavishly expressed affection for the Queen is said to be reciprocated. "She loves him," smotes an official who has seen them together. To judge by yesterday's exchanges, that isn't much of an exaggeration. New Labour and the Royal Family clearly have something significant to offer each other, as the Queen came perilously close to hinting yesterday. From Blair, the Royal Family get modernisation and the hope of renewal just when they most need it. From the Royal Family, Blair gets part of something just as big: the chance to connect his party and his Government, more successfully than at any time in Labour history, with the still central element of what used to be called the British Establishment. Even the affection between Harold Wilson—or Harold Macmillan—and the Queen was somehow never quite like this.

It isn't too much to say that this is part of a pattern. For slowly Tony Blair is starting to identify his party with some of those elements of British society with which the centre left has been much less naturally linked in this century than it was in the last. This is a process which may baffle and alarm many active in the Labour Party. But there is a paradox here: in some, though not in all cases, Labour is moving on to ground vacated by the Conservatives during the Thatcher years. Perhaps necessarily, given her agenda, Margaret Thatcher's Conservatives could never wholly rely on large parts of the Church of England, the BBC, the universities, the civil service—even, thanks to Europe, the business élite. And if the new Blair inclusiveness means that he can do so in a

way they couldn't, the big question becomes: who is seducing whom?

Though the Prime Minister's most ardent supporters will fiercely deny it, this process may become visible in some imminent decisions on policy. For example, it now looks increasingly likely that he will overrule, or at least substantially modify, the plans fermenting in the Department of Education to end the premium £35m a year which Oxford and Cambridge get and other universities don't. In cold, policy terms, the case for continuing to pay the £35m is scarcely persuasive. The huge assets held by the Oxbridge colleges—getting on for £2bn—and their formidable capacity to raise private funds rather undermine the argument that the premium grant is the only way of preserving their role as élite universities.

To take a wildly different case, the reasons for postponing—to no fixed date—an offer of Government time for a ban on fox-hunting aren't all that convincing either. But that may not quite be the point. It may rather be, to put it bluntly, that in the long term the minuses of protracted, deeply distracting public punch-ups on either of these issues greatly outweigh the pluses. Why make lasting enemies of Oxbridge and its world-wide army of eminent supporters on the one hand, and on the other a formidable coalition of pro-hunters ranging from Michael Heseltine to Lord Justice Sir Richard Scott and John Mortimer, when they could otherwise be useful part-time members of your new consensus?

This may sound unheroic. It becomes less so if its purpose is genuinely to focus on the long-term goals of improving schools and the painfully beleaguered NHS, and closing the gulf between the underclass and the rest of us. Let's suppose, for example, that as part of the programme of welfare reform Blair and Gordon Brown have to face the middle classes with some hard choices about losing some of the benefits they don't need, to help those who do. They are entitled to appeal to the enlightened self-interest of upper- and middle-income Britain by urging them to see that less crime and unemployment improves their quality of life, too; but they will need all the allies they can get.

So the Government has a lot to gain from all this. However, there are caveats. First, rebuilding the link between government and some of the country's most hallowed institutions should not necessarily be confused with an uncritical approach to corporate power; even businesses need from time to time to be told, as the unions have been until it's coming out of their ears, that they will get fairness but no favours. Nor should building a broad, inclusive coalition stop action against entrenched class division, including action through further constitutional reform. The monarchy still has a popular hold on the country; it will have even more of one if it modernises. But the hereditary House of Lords doesn't. There are no signs of a retreat here; there are even welcome indications that the Government intends to make more of an issue of its plans to start confronting the task of Lords reform which the Wilson government failed to accomplish in the Sixties. Which is just as well; powerful interests in the peerage will fight this to the last trench. But if the Tories really throw themselves into an alliance with the hereditary peers, they will surely this time be on the wrong side of history. Suborn the Establishment by all means. Mobilise it. Even flatter it. Sometimes to govern is to schmooze. Just don't be captured by it.

This is one of those times. For the Japanese, the stakes



REUTERS

## Today Japan, tomorrow the world



RICHARD  
LLOYD  
PARRY  
THE FAR EAST  
MELTDOWN

It is the good fortune of most people, most of the time, that they never have to think about Japanese politics. Consider yourselves lucky. Of all the world's industrialised countries none is run by such a gruesome cast of bores as Japan, a First World country (as it has been described) cursed with a Third World political system. Japanese politicians have all the vices of their foreign counterparts with none of the redeeming colour: they are arrogant but faceless, self-important but humourless, impotent and complacent at the same time. Luckily, this doesn't often matter, since the country is effectively run by its bureaucrats (equally arrogant, but reasonably talented). But, sometimes, Japan's politics get the better of it, and the country's leaders are faced with a genuine and dramatic set of events upon which depend livelihoods all over the world.

This is one of those times. For the Japanese, the stakes

could hardly be higher: in the next few weeks or even days, the decisions made by the prime minister, Ryutaro Hashimoto, and his government have the potential either to deliver Japan from half a decade of sluggishness and gloom or plunge it into its most serious economic crisis since the end of the war. But the consequences will be felt far beyond Tokyo, in the emerging markets of Asia, in the United States, Europe, and certainly in Britain.

For the past five months, a financial contagion has been spreading through south-east Asia and, in the last fortnight, it has hit Japan. Beginning in Thailand, and passing successively through Malaysia, Indonesia and now, most cripplingly of all, South Korea, Asian currencies have lost their value. This makes imported Japanese goods, such as cars, for instance, more expensive in Bangkok, Jakarta and Seoul. Asian companies are also finding it much more expensive to pay back loans from Japanese banks. The strain produced in Tokyo by this Asian meltdown has come after a five-year-long headache, caused by the collapse of the Eighties boom, what the Japanese refer to as the "bubble economy".

At home, the Japanese who 10 years ago were the world's most conspicuous consumers, have stopped spending, and now the stricken manufacturers have seen their markets in Asia suddenly dwindle too. Japanese banks were already burdened with bad debts and mortgages from the effects of negative equity at home; now their Asian creditors are defaulting as well. The result has been a series of drops in the Tokyo stock exchange; on Mon-

day, one of Japan's big banks went down permanently under the weight of bad loans. Companies are laying people off and, as if things weren't complicated enough, the country is also in the middle of a painful course of deregulation. "Asia is collapsing," says Andrew Shieff of Schroder's in Tokyo. "In Japan we expect record high unemployment in the next set of figures. The situation is quite scary because it's a synchronised global slowdown."

Until now, Japan's pain has not been felt much abroad, and the changes have to a degree, benefited foreign companies. Deregulation has opened up previously closed markets—the recent abolition of tariffs on whisky, for instance, allows Scotch to compete on equal terms with Japanese spirits. But unless Japan's leaders get their act together soon the rest of the world will know about it. "We shouldn't underestimate what a big problem this is," says Gerard Lyons, chief economist of DKB International in London. "The financial contagion is already apparent in Latin America, and it could spread to Europe."

If it does, it will be felt here as painfully as anywhere; of all its European competitors, Britain's fortunes are uniquely tied up with those of Japan. It is a measure of how important the relationship is regarded that, since the election, six Labour ministers have visited Japan (the latest, the Foreign Office minister, Derek Pritchett, left this week; John Prescott flies in at the weekend). Next year sees a year-long "British Festival" of art, drama and science; British diplomats in Tokyo are cock-a-hoop about the visit to London next spring.

Zinfandel?

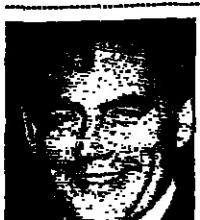
Didn't we see one on Safari?



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ERNEST & JULIO GALLO  
CALIFORNIA

## A new European model for growth and employment



GORDON  
BROWN  
ON THE  
JOBS SUMMIT

Europe's 4.8 million young unemployed would be rightly unimpressed if today's Luxembourg jobs summit produced only another photo-opportunity for presidents and prime ministers.

Which is why Britain, represented by Tony Blair, is determined that this summit must launch a new European way which can bring new opportunities not just to the young unemployed but to the 18 million people across the Continent without jobs.

Mass unemployment on the scale does not simply represent a personal tragedy, but also a huge waste of economic talent. Europe cannot develop as long

as there is the alienation and social division that long-term unemployment brings.

Indeed with the introduction of the euro only 13 months away, Europe's 20 million unemployed have a right to insist that we find a more effective, more modern economic model that delivers employment opportunity for all. Monetary union cannot work successfully without action on jobs.

Today as the Luxembourg summit opens a new European way can offer new hope. The American economic model has brought job creation but it has brought ever widening inequalities and denied communities social cohesion. The old European model has brought social cohesion but little job growth. The challenge for a new, more effective European model is to have job creation in a fair and cohesive society.

The new European model states that while sound finances are necessary for growth to expand, it is not sufficient if we are to meet our commitment to high and stable levels of growth and employment.

Job creation requires secondly, a new approach to employability. Today Europe is considering new targets for increasing training opportunities for the unemployed. Most of Britain's unemployed have the lowest skills, 75 per cent of those who have been unem-

ployed for longest have no skills worth their name. The countries which succeed in mastering waves of technological change and fiercer competitive pressures will be the ones that invest in their one national resource, their people.

The key to the new European agenda is thus rising investment in education and training. Even in the most training-conscious countries in Europe only a fraction of today's workforce are upgrading their skills. Yet their skills are, all the time, becoming obsolete. Britain has a great deal to learn from mainland European apprenticeships, craft and vocational training programmes. All of us have to do more in lifelong learning, not least by using the modern interactive technologies to make it possible.

For the unemployed taking starter or transitional jobs and for the low paid, work must pay and that requires tax reforms that encourage rather than penalise work. In Britain we are considering a 10p rate to help the low paid and reform of both tax and benefit systems to back up our proposed minimum wage. In Europe this weekend other countries will signal their determination to change their tax systems where they discourage people or businesses creating jobs. So Europe is

agreed that taxes on income must be geared to making work pay and business taxes should be modernised to encourage investment, growth and jobs.

Third, the European way to creating jobs rejects both old-style regulation and crude deregulation; it favours a competition policy that creates more dynamic markets, is effective against those cartels and monopolies that hold new businesses and job creation back, and—in larger areas where European-wide competition is still inadequate—pushes forward the frontiers of the single market.

In this way small- and medium-sized businesses are now recognised for the job creators they are and can be. The small business sector has produced most new jobs in the United States. The European way must now be to do what we can to encourage innovation and dynamism. Britain's venture capital market has been a significant creator of high quality jobs and companies. There is a new interest throughout Europe in examining how to enlist venture capital as a more effective route to job creation. Our presidency will reflect this.

So in each area the Euro pean model suggests supply-side measures and structural reforms to create new growth and employment. Indeed mon-

etary union which requires greater flexibility cannot work in any other way. So the new way recognises that while, in a fast-moving world of constant innovation and technological change, there is far less that government can do to stop people losing their last job, there is a lot government can do to help people secure their next job.

This week's initiative by the Luxembourg presidency is an important step forward. Already the UK has submitted its own action plan, building on our "getting Europe to work" initiative of last June. It admits how much we have still to do and sets out our own experience and action priorities. Our hope is that, by the Cardiff summit, each member state will have produced their own action plan, sharing their best practice on employment so that we can learn from each other.

The new European model rejects the crude free market dogma of the 1980s which does nothing to enhance employability, just as it rejects old-style regulation which suppressed markets and dynamism. Instead the European way combines dynamism with employment and educational opportunity for all. In this way, Britain can take a lead in ensuring that Europe is changing to meet the needs of the unemployed.



## 23/BUSINESS

BUSINESS & CITY EDITOR, JEREMY WARNER  
NEWS DESK: 0171-293 2636 FAX: 0171-293 2098 E-MAIL: INDYBUSINESS@INDEPENDENT.CO.UK  
FINANCIAL JOURNAL OF THE YEAR**Economy shows the first signs of cooling down**

A batch of new figures yesterday brought the first hints that the overheated economy might be cooling down. Diane Coyle, Economics Editor, asks whether this means the Bank of England has really broken the cycle of boom and bust.

Early signs that the economy has come off the boil encouraged hopes that the five rises in interest rates since 1 May have engineered a "soft landing".

However, there were enough mixed signals in yesterday's figures to keep the experts divided about how much further rates might yet have to climb. Some economists reckon the Bank of England will have to do more to ensure the necessary slowdown. The Office for National Statistics reported a lower figure for gross domestic product growth last quarter than the initial estimate, down to 0.9 per cent from 1.1 per cent. Separate figures from the Bank of England showed that broad money growth slowed last month.

In addition, the latest survey showed a drop in consumer confidence from its mid-summer high. And the Confederation of British Industry said business optimism had weakened sharply.

Robert Barrie, an economist at BZW, said: "The Bank has been running a tough policy, and I sense that the economy is on the turn."

But other City analysts found evidence to the contrary beneath the headline figures. Michael Dicks of investment bank Lehman Brothers said: "This Christmas could turn out to break the record books. People would have to stop spending abruptly in the New Year for the Bank of England to avoid raising interest rates."

Ciarán Barr of Deutsche Morgan Grenfell agreed. "There is no indication that the economy is about to start slowing," he said.

The revised estimate showed the growth rate edging down from 1 per cent in the second quarter of this year to 0.9 per cent in the third. Consumer spending growth hit 3.8 per cent year-on-year – the fastest since

1988 – but its quarterly rise tailed off slightly to 1.2 per cent due to the impact of the royal funeral on retail sales.

Investment dived by 1.2 per cent in the quarter, following a boost due to aircraft purchases in the previous quarter. It remained 3.8 per cent higher than a year earlier.

The figures for GDP in the fourth quarter, due in January, are likely to be crucial to the Bank of England's decisions. An interest rate increase before early February would now come as a surprise to the financial markets.

The CBI's survey supported the evidence of weaker growth. Export orders are still falling, according to its members, although the sharp deterioration has been halted.

Manufacturers' expectations for future output dived to their lowest for two years. The balance of companies expecting to increase rather than reduce production in the next four months fell to 9 per cent from 20 per cent.

Sudhir Jumankar, a CBI economist, said: "The weakness on the export front now appears to be leading manufacturers to scale down their hopes of output growth." He predicted one more increase in interest rates to a peak of 7.5 per cent.

A separate survey of consumers by pollsters GfK showed a big drop in confidence from its post-election record highs, although it remains well above the long-run average.

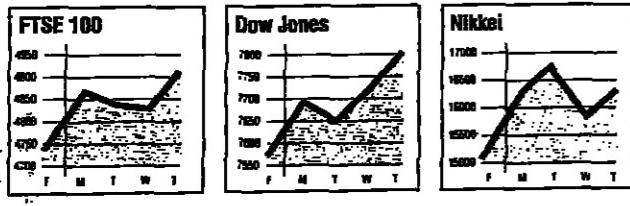
The optimism balance reached a peak of 10 per cent in August, had declined to 7 per cent by September and reached 2 per cent this month.

Even M4, whose rapid growth has been one of the Bank of England's bugbears, decelerated. The big repayment of public debt by the government and "repo" transactions by the banks took its growth rate from 11.8 per cent in September to 10.9 per cent.

Separate figures from the high street banks and building societies showed a modest pick-up in new mortgage lending during the month, and a bounce back in credit card lending after a depressed September.

Net lending by the building societies rose from £928m to £933m, and by the banks from £606m to £817m in October. Other bank lending was weaker.

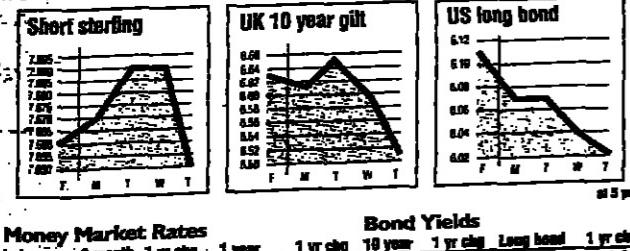
*Outlook, page 25*

**STOCK MARKETS**

Dow Jones Index and graph at 5pm

Indices

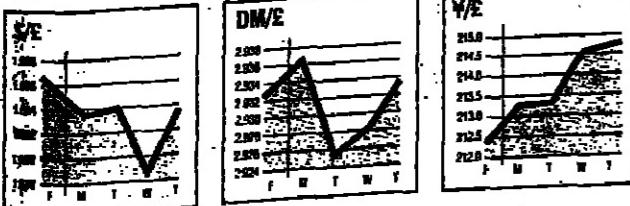
Index	Close	Change	Change (%)	52 wk high	52 wk low	Yield (%)
FTSE 100	4900.40	79.30	1.62	5367.30	3882.70	3.55
Dow Jones	4542.20	12.00	0.28	4963.80	4321.80	3.49
Nikkei	2357.10	31.60	1.35	2570.50	1935.70	3.54
FTSE All Share	2514.73	26.82	1.26	2507.68	1942.22	3.52
FTSE Smallcap	2281.4	0.60	-0.04	2407.40	2127.50	3.27
FTSE Midcap	1248.4	0.30	0.02	1346.50	1198.70	3.38
FTSE Housing	592.0	-0.90	-0.09	606.50	565.50	1.06
Dow Jones	7800.00	73.27	0.95	8299.03	6235.05	1.73
Nikkei	16308.49	466.03	2.94	21460.57	14958.13	0.94
Dow Jones	10650.68	-103.68	-1.02	10820.31	8775.88	4.21
Nikkei	3575.94	81.12	2.12	4450.89	2758.11	2.04

**INTEREST RATES**

Money Market Rates	3 month	1 yr dep	1 year	1 yr cd	1 yr	Long bond	1 yr
UK	7.69	1.27	7.94	0.94	8.51	-1.02	6.46
US	5.88	0.38	6.00	0.32	5.81	-0.12	5.02
Japan	0.44	-0.06	0.53	-0.11	1.97	-0.75	2.80
Germany	3.75	0.57	4.11	0.80	5.49	-0.35	6.10

**MAIN PRICE CHANGES**

Rates	Price (p)	Chg (p)	% Chg	Falls	Price (p)	Chg (p)	% Chg
Unilever	346.00	58.00	20.14	20.14	101ca Grp	145.50	-11.00
Allied Colloids	138.50	14.50	11.60	11.60	Stepharm	52.00	-2.00
Standard Charter	692.00	49.00	7.02	7.02	Loyds TSB	684	-22
Schroders	1710.00	105.00	6.54	6.54	Gibson	1080	-30

**CURRENCIES**

Pound	at Rate	Change	Wk Ago	Rate	Change	Wk Ago
Dollar	1.6937	+0.226	1.6776	1.6934	-0.086	1.5961
D-Mark	2.0266	+0.4901	2.5290	2.0241	+0.1165	1.4984
Yen	214.78	-0.55	187.38	216.81	-0.35	111.63
Index	104.30	+0.30	92.00	106.30	0.00	95.90

**OTHER INDICATORS**

Index	Close	Chg	Wk Ago	Rate	Chg	Wk Ago
Brent Cr (S)	18.97	-0.21	22.09	18.90	-3.80	109.7
Gold (\$)	303.45	-0.40	378.35	159.50	3.7	153.81
Yen	5.22	0.11	4.90	Base Rates	7.25	6.00

source: Bloomberg



Going his own way: Robert Hanson with a former acquaintance, Normandy Keith

**Hanson scion steps out of father's footsteps**

to add value following the recession of the early 1990s.

Robert Hanson is corporate development director of Hanson, and his principal remaining responsibility is to find a buyer for Grove Worldwide, the company's US-based crane-making unit, which analysts value between £300m and £400m.

The company declined to comment on whether a sale was imminent.

Hanson shares rose half a penny to 285.5p.

Hanson is the building materials company that remained after the break-up of the amorous tobacco and coal mining conglomerate was completed earlier this year. The remaining, smaller Hanson subsequently fell out of the leading

FTSE 100 index. The Hanson empire reached its peak during the Thatcher boom years but split up after conglomerates went out of fashion. Its shares lagged the FTSE 100 index for a year, and investors saw it as unwieldy and unprofitable.

and the time has now come for a full MMC inquiry."

Mr Bridgeman said he hoped the inquiry would answer a wide range of questions about the underwriting process. He wanted to know whether there was more scope for competition between underwriters, whether an underwritten issue provided the best value for money or whether issuers should opt for other methods such as the American system where banks take on the whole risk of an issue but often charge more for doing so.

The inquiry will go to the heart of the institutions' passionately held pre-emption rights, which ensure that the owners of a business are given first call in any subsequent cash raising exercise. They fear that other methods, such as American style placings of stock, could lead to a dilution of their control over the companies in question.

He said: "I remain concerned that competition is not working effectively in this market. Standard fees have been charged for underwriting in at least 50 per cent of recent rights issues. In spite of some tendering for sub-underwriting, the fees charged allowed sub-underwriters to make substantial profits over and above what might be regarded as reasonable. The industry has had long enough to behave more competitively

for us to believe that the industry should be treated like banking or supermarkets where a handful of large players provided competition. There were a growing number of integrated energy companies now operating including Scottish Power, Energy Group, Scottish Hydro, Centrica and Energy, the US utility which bought London Electricity and is expanding into gas-fired generation.

"We believe the industry should be allowed to evolve freely and that generators like us should be allowed to expand into distribution and supply. Only then will you see real competition."

Seaboard and Swed, now owned by US utilities, are both thought to be on the market.

PowerGen's pre-tax profits for the first half of the year fell from £207m to £154m as its market slipped below 20 per cent for the first time owing to increased competition and plant disposals. Stripping out exceptional items, however, profits were 12 per cent up while earnings per share climbed 17 per cent.

*Outlook, page 25*

**PowerGen deal could mean end for RJB**

The shadow hanging over RJB Mining darkened yesterday after PowerGen said it would take just 2 to 3 million tonnes of coal from it next year and then only if the price was cut by a further 15 per cent. Michael Harrison examines the prospects for Britain's biggest coal producer.

The deal PowerGen is negotiating could put three large collieries at risk of closure and see the tonnages it buys from RJB falling by two-thirds from next April. PowerGen is buying about 9 million tonnes this year from RJB under the existing five-year contracts.

Ed Wallis, PowerGen's chairman, said that it had already contracted to buy more than half its coal requirements for next year from UK and foreign producers at internationally competitive prices.

"We are not being awkward or difficult," said Mr Wallis. "We believe we have established a market price. Why should we buy at prices which are 15 per cent higher?"

Mr Wallis added that it did not have to buy any English coal. "It is as simple as that." But if Richard Budge, RJB's chief executive wanted to do a deal with PowerGen it knew the volumes it wanted and the prices it was prepared to pay.

RJB has concluded deals for next year with the other two generators, National Power and Eastern, at prices of around £1.18 a gigajoule compared with world prices of nearer £1. Under the present contracts the price is about £1.45 a gigajoule.

## Korea could need \$100bn rescue as currency dives

Can things get worse in Korea's financial markets or will the International Monetary Fund be asked to come to the rescue? This was the question being asked by investors yesterday, reports Stephen Vines in Hong Kong.

If Korea has to swallow its pride and go to the IMF for help, the world's eleventh largest economy will need the kind of assistance which makes past bail-outs look modest. Japanese analysts are saying that Korea could need up to \$100bn (£59bn). If this is correct it would be by far the biggest IMF rescue, overshadowing the Mexican bail-out, and putting the recent help to Indonesia and Thailand very much in the shade.

Officially the Koreans are still insisting that they have no need to go to the IMF and are expecting direct bilateral assistance from Japan and the US or from a combination of neighbouring countries. There is also some vague hope that the Japanese government will

persuade banks to roll over short term loans. However, both the Japanese and the Americans have indicated that they would prefer to contribute to an IMF package carrying stiff terms for repayment and implementation.

The Centre for Asian Studies at the Japan Research Institute yesterday estimated that Korea would need between \$50bn and \$100bn to get out of the present financial crisis. It pointed out that South Korea has an external debt of \$110bn, \$30bn to \$30bn of which needs to be repaid before the year-end. In addition the government is being pressed to rescue a large number of financial institutions which are about to become engulfed in a sea of bad debt.

Officially Korea is supposed to have \$30.5bn in foreign reserves but many analysts believe that half this sum has been spent in an effort by the Bank of Korea to prop up the Korean won.

On Wednesday Korea's new finance minister, Lim Chang-yuel, announced what was billed as a far reaching financial reform package, and yesterday investors delivered their verdict. Within 15 minutes of Seoul's foreign exchange mar-



Taking the plunge: A clerk puts up the won/dollar conversion rate at a bank in Seoul as the won dives towards a record low

Photograph: Reuter

ket opening the Korean won fell by 10 per cent against the US dollar, taking it to a record low of 1,139 to the greenback. The value of the won has plunged 16 per cent this week.

Part of Wednesday's reform package was an extension of the ban on currency trading allowing daily fluctuations of up to 10 per cent as opposed to the previous limit of 2.5 per cent.

Practically no one believes that the won's fall has been completed. The most pessimistic analysts are predicting that it will slump to 1,400 against the dollar; the most op-

timistic assessment is that it will stabilise around 1,200.

Share prices in Seoul, which managed a weak rally on Wednesday following Mr Lim's appointment, found the effort of optimism to be too taxing and the market fell back by almost 3 per cent yesterday.

While the financial markets are taking a battering, the Korean economy has continued to grow with vigour.

Bank of Korea figures released yesterday show that gross domestic product for the third quarter was up 6.3 per cent. Mr Lim, the finance minister, says the economy is on course for

6 per cent growth for the year as a whole. This compares with 7.1 per cent growth last year.

Exports are busy stoking the economic machine. In the third quarter exports registered an impressive 29 per cent growth year-on-year. This compares with just 8.2 per cent in the equivalent period last year.

Although the good economic figures should have produced optimism, a strong indication of the consequences of the financial weakness was provided by the capital investment data, which showed that investments had declined 13 per

cent, compared with a 9.3 per cent growth in the previous 12 months.

The weakness of the won provides a prop to exporters but the financial crisis is generating ever-rising interest rates which are acting as a formidable drag on corporate profitability.

While Korea remained a leading contender in the gloom stakes, Malaysia offered strong competition yesterday with the stock market plummeting by 11 per cent in a single day and the local currency slumping to its lowest rate of exchange since 1973.

The lethal mix of economics and politics is behind the gloom in Malaysia which has seen 20 per cent knocked off share values in the past week.

First came news of what looked like a political motivated bail-out of a company controlled by the ruling party.

Then yesterday, a leading company pulled out of the nation's leading hydro-electric project, leaving the government to pick up the pieces.

These developments are giving investors a feeling that the already weak stock market is developing into a political football.

## Worries over UK banks' exposure

There were growing concerns yesterday about the exposure of British banks to South Korea and other Asian countries. Bank of England figures show that at the end of June British banks had outstanding loans of \$6.6bn (£4bn) in South Korea and \$13.4bn in Indonesia, Malaysia and Thailand. Altogether Asia accounts for around 3 per cent of British banks' assets.

Ian Linnell, a director of the ratings agency IBCA, said: "It would be surprising if the turmoil did not have some impact on British banks, although it is not yet enough to cause serious concern. We are watching things very carefully."

Most banks, after their experience with lending to Latin America in the 1980s, have withdrawn from the emerging markets. "The UK clearing banks have pulled in their horns in international lending," said Mr Linnell.

Their exposure is mainly through investment banking activities, with banks such as Schroders, Flemings, Standard Chartered and HSBC most involved in Asia.

Amongst the overseas banks most exposed are Chase in the US, which last week announced losses of \$160m due to turbulence in emerging markets, and the Dutch giant ING, which took over Barings after its collapse.

Meanwhile, the International Monetary Fund was on red alert over the South Korean crisis yesterday. Although it would not comment on the country's situation, a spokesman said an exchange of information with the Korean authorities was continuing. An IMF official was on his way to Seoul.

But Lim Chang-yuel, the country's new finance and economics director, said South Korea would seek regional assistance before asking the IMF to bail it out. He placed his hopes on the Bank of Japan.

"If South Korea fails to pay the short-term loans, Japanese creditors may have to face defaults on long-term loans too," he said.

The IMF has already put up \$10bn for Indonesia and \$4bn for Thailand. Along with other contributions, the South-east Asian rescue package already amounts to more than \$40bn.

— Diane Coyle

## Japanese market rallies after another U-turn on bailing out banks

Markets in Tokyo continued their game of Call My Bluff with a dithering government yesterday. Share prices rose sharply after the Prime Minister, Ryutaro Hashimoto, was forced to promise he would after all use public money to bail out collapsing banks. Richard Lloyd Parry reports from Tokyo.

It was Mr Hashimoto's third change of mind in three days, but it was enough to spark a

rally of 466 points or nearly 3 per cent on the Nikkei average of 225 leading shares, which closed at 16,308. It reinforced the extent to which the Japanese government is effectively a hostage of the markets, which have fluctuated wildly since the demise of Japan's 10th biggest bank, Hokkaido Takushoku, on Monday.

Several other banks are believed to be close to insolvency, a result of bad loans left over from the boom days of the country's bubble economy, with problems brought to a head by plunging credit ratings for Japanese financial institutions on the world markets. The mar-

kets and business are looking for a clear signal from Mr Hashimoto that public money will be made available to cushion the effects of any further collapses.

On Monday and Tuesday, when it appeared that they would, the Nikkei showed its appreciation with a two-day rise of more than 10 per cent. On Wednesday, Mr Hashimoto said that he had been misinterpreted: the markets thrashed him with 5 per cent fall. Yesterday, spokesmen for the Prime Minister let it be known that he had changed his mind, and he was duly rewarded with a 3 per cent gain on the head.

The financial crisis in Japan comes at a critical time, coinciding as it does with worldwide market uncertainty, acute amnesia among Japanese banks, and a moment of political vulnerability for Mr Hashimoto.

Many of Japan's banks release their results this week, and their balance sheets have fuelled speculation about the victims most likely to follow Hokkaido Takushoku. The

shares of most major banks, including Sumitomo and Tokyo Mitsubishi, rose yesterday, but smaller institutions continued to look vulnerable. Among the most actively traded stocks were Ashikaga, a regional bank, which fell 7 points to 140 after

a sharp decline the day before. Fuji Bank, a big player which yesterday fell 44 points to 769, is under especially intense pressure, having committed itself to supporting the floundering brokerage.

Mr Hashimoto's change of position yesterday was couched in the most deniable terms possible, leaving room for yet another about turn should political conditions render it necessary.

Credit — or blame — for the idea has been carefully placed with Kiichi Miyazawa, a former prime minister, who met Mr Hashimoto yesterday morning. Aides later conveyed the

news to journalists indirectly.

The issue is an agonising one for the government, which faces political turmoil and accusations of betrayal whatever it chooses. On the one hand, Mr Hashimoto is committed to reform and modernisation of the economy and the creation of an environment where inefficient institutions will not be protected from competition by an endlessly indulgent government.

On top of this, with a mounting deficit, there is no ready cash to give away. When the government spent billions of yen of taxpayers' money early last year bailing out a group of bankrupt housing loan companies, there were street demonstrations and uproar in parliament.

But a failure to inject public money raises the prospect of a continuing stock market slide, generating in its turn more bankruptcies.

The markets and business have made it clear that they want government money to help the banks get rid of their non-performing loans and, ideally, tax cuts and public works spending. If Mr Hashimoto grants these, he will provoke the fury of ordinary taxpayers, and seriously undermine his credentials as a committed reformer. If he doesn't, then the markets will continue to slide.

— Diane Coyle

## Turbulence in the Far East takes its toll on Jardine Fleming profits

Flemings, one of the UK's few remaining independent investment banks, yesterday admitted that turbulence in the Far East had cost it millions of pounds.

But the bank, which is privately owned — one third of shares still belong to the Flem-

ings family — remains committed to its independence. "We like being independent and private", said William Garrett, chief executive.

"Difficult market conditions" caused a 40 per cent fall in first half profits at the beleaguered Jardine Fleming, the

bank's Hong Kong-based joint venture. Profits in the six months to September at Jardine Fleming were £15m, some £10m down on last year. But despite a cautious Asian outlook in the short to medium term, Mr Garrett took an optimistic longer term view. "Asia is a

great part of the world in which to invest in the long term."

The chief executive added that Flemings had no intention of scaling down its Asian operations. "We are more likely to be adding resources in some of the areas."

Outside Asia, the picture

was brighter. Asset management "recorded a significant increase in profits", and traditional banking had a "record half". Overall, profits rose by 6 per cent to £91m, and the interim dividend edged up 0.5p to 8.5p.

— Lea Paterson

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## Unichem in merger deal

UniChem, the pharmaceuticals distributor chaired by former Chancellor of the Exchequer, Kenneth Clarke, is to merge with Alliance Sante in a deal worth £278m. The new company, UniChem, will be one of the leading healthcare companies in Europe. Alliance Sante has significant market positions in both France and Italy. The deal ends UniChem's search for a partner which began when it lost the battle for control to Lloyds Chemists to Gehe of Germany earlier this year. The enlarged group will have combined sales of almost £5bn and profits before re-structuring costs of £102m.

Investment column, page 27

## Storehouse ousts MD

Storehouse, the retail group, has replaced Simon Hughes as managing director of Mothercare, saying new skills were needed for its next phase of growth. Mr Hughes, who was not on the main board, will leave the company with immediate effect after 12 years with the group. Succeeding him is Greg Tuffnell who has had spells with Burton and Next. He was most recently head of Burton Menswear.

ICI to sell fertiliser arm

ICI is to sell its UK-based fertiliser business to Terra Industries of the US for £200m though a deferred market related payment could see ICI receive a further £50m. After contractual obligations, the disposal is expected to give rise to a pre-tax exceptional gain before provisions of about £140m. In 1996 the business recorded sales of £220m and a trading profit of £60m. The sales proceeds, which will be paid in cash, will be used to reduce ICI's borrowings.

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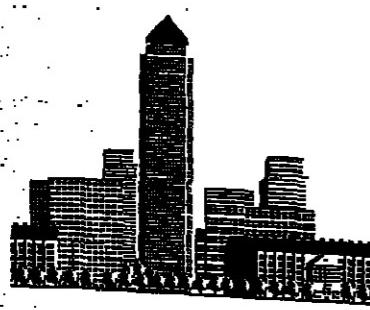
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21 November, 1997

## 25/BUSINESS



**OUTLOOK**  
ON THE MMC  
REFERRED OF  
UNDERWRITING  
COMMISSIONS,  
THE CRISIS IN  
SOUTH-EAST ASIA  
AND ED WALLIS'S  
POWER GAMES

## Have-a-go Bridgeman takes on the City

On any reasoned assessment, it is hard to challenge John Bridgeman's decision to refer Britain's unique system of underwriting rights issues to the Monopolies and Mergers Commission. There is compelling evidence that the use of fixed charges represents a complex monopoly, offering unjustifiably high rewards for fairly insignificant risks. The institutions plainly enjoy a lucrative cartel.

This monopoly is complex in more ways than one, however, and the Monopolies watchdog should use wisely the year it has been given to decide if there is a monopoly and, if so, whether it operates against the public interest. It must avoid a repetition of its last major investigation into a complex monopoly, its probe at the end of the 1980s into the brewing industry.

On that occasion, the MMC found against the industry, but the upheaval that was forced on the brewers had unexpected and unfortunate consequences. There is now a greater concentration of brewing power than before the MMC's experts stuck their noses in and it is far from clear that their intervention has benefited the consumer. By the same token, it is questionable that outlawing the underwriting cartel will do anything to reduce the cost of capital to companies, and if it fails to do that, then there is not much point in doing it.

Even so, the City really only has itself to blame for finding itself up before the beak. A few high profile innovations have been dreamt up by the likes of Schroders in recent times, but the fact remains that most cash calls still pay a flat

2 per cent of proceeds when they come to the stock market for money. It is no surprise that Mr Bridgeman has been so overwhelmed by the response to his repeated threats to refer. The OFT has studied 60 different rights issues over the past year and found that in the great majority of cases, the risk does not justify the reward. In other words, underwriting commissions are money for old rope.

Unfortunately for the MMC, however, there are no easy answers here. The cost of new capital is made up of a large number of different elements of which underwriting commission is only one. Lower the cost of underwriting commissions and you might, by instance increasing the size of the necessary discount, increase the cost of the capital in other respects. While it is tempting to think that Schroders' apparent success in cutting the cost of Berkeley's recent rights issue is in fact proof that 2 per cent is too much, it is arguable that that deal's combination of deep discount and maintained dividend actually pushed the ultimate cost higher than might have been achieved under traditional methods.

Furthermore, the underwriting cartel is not much different from any other fixed commission system. For every loser there is a winner; for every company which is paying too much, there is a more high risk company which is probably paying too little. Change the system and this Robin Hood type subsidy disappears.

All the same, this is an investigation well worth having, if only because it would be

nice to have some authoritative answers to these difficult questions. It is well accepted that the cost of capital to companies in Britain is generally higher than in other developed countries, but the cause of this is far from clear. Is it structural or economic? If the MMC can help answer this question, then it will have earned its keep.

### Restructuring the Far East

Tony Blair, the prime minister, once declared himself an admirer of the tiger economies of the Far East. It will be interesting to see whether he is prepared to repeat that praise when he visits Japan next year. The tigers now look sick to the point of near extinction, and even the mighty Japanese economy is floundering in a manner which profoundly challenges the idea that the Asian approach to business and finance ever had much to command it.

The addition of Korea to the region's sick list has demonstrated beyond any doubt that the illness is endemic, that there are common structural faults throughout these economies. How naive of Mr Blair and the rest of us to have spotted them before, for although the exact causes of this crisis are many and varied, there is one underlying theme. South East Asia's exotic mix of free market capitalism and command management (totalitarianism by another name) doesn't work.

The one with the other has a natural tendency towards corruption and manipulation

- the very antithesis of what markets are meant to be about. These countries, Japan included, have been deceiving themselves and deceiving the outside world. They have milked out free trade principles and the forces of international capital for all they are worth while persistently turning a blind eye to their rules. Now it's pay back time.

The International Monetary Fund is expecting any moment to be called on to assist Korea. Only misplaced national pride has prevented the Korean Government going to the IMF already. When it happens, this is going to be a bail out to make Mexico look like a Vicar's tea party. We in the West have much to gain from this crisis, if by helping out we can impose our will and ways on these corrupt and inward looking economies. The IMF should extract a high price in terms of political, economic and institutional reform for its aid.

### Power generators battle it out

If Victor Rice of LucasVarity wanted an insight into the kind of boardroom brouhaha he has got himself into by hiring Ed Wallis as non-exec chairman, then he could have done worse than turn up to PowerGen's interim results presentation yesterday. What Ed says, very definitely goes, as his fellow executives discovered during the course of the presentation. Any dissent was quickly quashed. If Ed says PowerGen's balance sheet is undergeared and inefficient, then that is exactly what it is, nev-

er mind that the finance director thinks differently. Likewise, if Ed wants to negotiate his coal contracts with Richard Budge through the financial pages of the Press, then that is exactly what will happen, even if it makes his managing director turn a whiter shade of pale.

With Mr Wallis in the driving seat, PowerGen has so far hardly put a foot wrong, save for the abortive bid for Midlands Electricity, and Ed may be about to put even that right if he gets half a chance. Unlike many of the time-servers in the privatised utilities who inherited telephone number salaries by dint of being in the right place at the right time, Mr Wallis has also demonstrated that his currency is valued outside the cosy confines of a power duopoly.

But PowerGen and its slightly bigger rival National Power are now at an important crossroads. The premium rating enjoyed for so long by PowerGen has all but evaporated as its bigger brother has caught up, fuelled by an aggressive strategy of overseas expansion. National Power is making £130m a year on overseas equity investment of £1bn. PowerGen is making perhaps £20m on an equity investment which so far stands at £500m.

The two stocks now make an interesting choice for investors. Stick with bigger brother and watch as overseas expansion turns it into International Power. Alternatively, hang in with Ed, watch him load up with debt and then either return capital to shareholders or take the vertical integration road. At the moment the markets cannot decide who will emerge on top.

## Granada turns its back on bids as it looks to a year of consolidation

**Granada Group has ruled out any big acquisitions during the next year. The company indicated yesterday it would embark on a period of consolidation after two years that have seen it swallow Forte for £3.8bn and make the £711m purchase of Yorkshire-Tyne Tees Television.**

Cathy Newman reports.



Gerry Robinson: 'You make an acquisition and then you make it pay'

Gerry Robinson, chairman of Granada, said that after two substantial additions to the business within the last two years, there were no further bids on the immediate horizon.

"You make an acquisition and then you make it pay. It's very unlikely you'll see a major acquisition from us in the next year," he said.

In the year to the end of September Granada improved profits at Forte, which it bought at the beginning of last year, by £124m - more than its original target of £100m.

City analysts said the market was impressed by a 35 per cent increase in profit before tax and exceptional items to £650m. Granada's shares closed up 43p at 843p.

Paul Slattery, leisure analyst at Kleinwort Benson, said he liked what he had seen in Granada, and was not surprised that the emphasis was now on organic growth. "They've still got quite a bit of reshaping to do with the acquisitions and disposals."

During the period, Granada

has boosted its position in television by buying YTV and setting up British Digital Broadcasting (BDB), a joint venture with Carlton Communications to run digital terrestrial television services.

However, Mr Robinson said there would not be any benefit at present in spinning off Granada's television interests. "We're in two mainstream businesses, but I do not see you'd enhance value by separating them," he said. "Demerger remains an option, but not one we see anything happening on in the short to medium term."

Mr Robinson confirmed that he may have to relinquish his position on the board of

BDB at the request of the European Commission. The competition authorities have been concerned that Mr Robinson is chairman of both Granada and BSkyB - which provides programming for BDB - as well as a director of BDB.

BSkyB has a seven-year contract to provide programmes to BDB, but Mr Robinson said yesterday that may have to be reduced to five years.

"It's hard to tie that down," he said. "It's possible that will be reduced to five years. It might appear as a regulatory issue." Granada said its share of the start-up costs of BDB would be £75m.

The company said £18m

would be knocked off profits in its rental division each year because of the increase in insurance premium tax to 17.5 per cent.

### Regulators look into 'dual fuel' offers to domestic customers

The electricity and gas regulators yesterday launched an investigation into claims that power companies were rigging the market to prevent competition for domestic consumers taking off fully next April.

Ofgas and Ofgem announced they were examining so-called "dual fuel" offers whereby customers were sold gas and electricity in one package.

A joint statement from the two regulators highlighted claims that some electricity companies may be engaged in predatory pricing by supplying gas at below cost in order to tie households into buying their electricity as well.

"The offer of dual fuel supply can bring benefits to customers in terms of lower prices. On the other hand it would be undesirable if the advantages enjoyed by the public electric-

ity suppliers gave them the opportunity to exploit and prolong their monopoly power," the statement added.

The gas market is already partially open to competition with 4.5 million of British Gas's 19.5 million customers now able to shop around. However, the electricity market will not begin to open to competition until next April. Liberalisation will then be phased in over a six-month period.

Centrica, the supply and trading arm of the old British Gas, has complained that the dual fuel offers now available from electricity suppliers could hamper its ability to break into the electricity market from next April with prices that undercut the RECs by 15 per cent.

A Centrica spokesman welcomed the inquiry

and stressed that the departure of the non-executive directors was entirely amicable.

"It was very cumbersome to get 13 people together to make complicated decisions," he added. "All the non-executive directors have resigned en masse. But it was an amicable solution. I have received very nice letters from the directors who have resigned and they'll remain as consultants."

The three executive directors who remain have also changed their roles. Mr Mackintosh himself will become executive chairman, with special responsibilities for company development, the club said in a statement. Mary-Lou Sturridge, general manager, will become managing director.

Tony Mackintosh, managing director, said yesterday that a consultant called in by the board to review the company's structure had made a series of recommendations, which focused on making the board a more manageable size. How-

ever, he stressed that the departure of the non-executive directors was entirely amicable.

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The shares closed up 5p at 160p.

- Michael Horison

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### Allied Colloids admits to bid approach after share price rise

Allied Colloids, the chemicals group, was forced to admit to the Stock Exchange yesterday that it had received a takeover approach. The move came in response to the sharp rise in its share price earlier this week, amid growing speculation that it was being eyed up by potential predators.

The group cautioned that it had no firm offer on the table and there was "no certainty" of further sell-offs.

One industry source said

that the talks were in the very

early stages. "A deal is not imminent and talks could come to nothing," he said.

However City analysts believe the announcement puts Allied Colloids in play. The group could prove attractive to a host of large US and European chemical companies.

Ciba and Dow Chemical have been touted as possible bidders. Laporte, which had been considered a front runner to make a bid, yesterday ruled itself out of the running. As did Elf Atochem and BASF, which

were seen as other potential buyers.

Allied Colloids' share price rose 14.5p yesterday to 139.5p. It leapt 10.5p to 125p on Tuesday and has risen from 101.5p earlier this month.

Analysts reckon a buyer would have to pay up to 180p a share, valuing the group at £1.2bn, in order to secure the support of Allied Colloids' large shareholders. Experts agree it would have to be an agreed bid to succeed.

Allied Colloids produces

chemicals used in anything from the textiles to the paper industry. Despite the recent rise in its shares have underperformed the market by 20 per cent in the last 12 months.

The disappointing performance can be put down to concerns over the impact of the strong pound, rising raw material prices, and a slump in the chemicals sector.

A bid for Allied Colloids could prompt a wave of consolidation in the sector.

- Andrew Yates

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16Mb Advanced Graphics

Memory RAM Advanced Graphics 16Mb gives you the best graphics for your computer.

Speech Recognition

Memory RAM Speech Recognition allows you to control your PC with your voice.

V24 Speed CD

Memory RAM V24 Speed CD allows you to run faster and smoother.

3D Wavetable Sound

Memory RAM 3D Wavetable Sound gives you the best sound quality.

200M MMX Processors

Memory RAM 200M MMX Processor with Intel Technology giving you better performance than ever before.

200M HomePro

Memory RAM 200M HomePro with Intel Technology giving you better performance than ever before.

200M-2 HomePro

Memory RAM 200M-2 HomePro with Intel Technology giving you better performance than ever before.

FREE EPSON PRINTER

Memory RAM FREE EPSON PRINTER.

200M Exec Models

Memory RAM 200M Exec Models.

200M-2 Exec Models

Memory RAM 200M-2 Exec Models.

200M-2 HomePro

Memory RAM 200M-2 HomePro.

200M-2 HomePro

## Mixed fortunes for financials as Footsie moves strongly ahead

### MARKET REPORT



CATHY NEWMAN

Conflicting influences were at work in the financial sector yesterday, ensuring that one bank headed the list of Footsie climbers, while another suffered the biggest blue-chip fall.

Standard Chartered, which derives more than 30 per cent of group profits from Hong Kong, has in recent months plumbed new depths after the turmoil in Far Eastern markets. Yesterday, though, things took a turn for the better. The company has taken a group of analysts out to the Far East to reassure them about exposure to the Hong Kong and Thai markets. The ploy seems to have succeeded, as the bank closed up 49p at 692p, the biggest gainer on the Footsie.

Brokers had a more malign influence on another bank, Lloyds TSB. ABN Amro Hoare Govett, the house broker, has downgraded its forecasts for

1997. Lloyds shed 22p to end the session at 684p, and Barclays lost its shine in sympathy, dropping 24p to £14.49.

Other financial stocks continued to bask in the reflected glory of the Merrill Lynch bid for Mercury Asset Management. Schroders had another field day, up 75p to £18.90. Meanwhile, ED&F Man, the financial services and commodities company, firmed 12p to 229.5p after a 51 per cent increase in interim profits.

Snapping at the heels of the financials, Grangida Group was in demand, finishing up 43p to 843p. The market liked the 35 per cent increase in profit before tax and exceptional items to £650m. Buy notes from Société Générale, Lehman Brothers, SBC Warburg, and Kleinwort Benson also buoyed the stock.

Lasmo was among the other Footsie high-flyers as good results from a test drilling in Algeria greased the ropes for the oil giant, sending it up 13p to 14.49.

Elsewhere, Capital Industries, the paper and packaging company, had its fair share of bid speculation yesterday. Market rumours suggest that a big European paper company may have made an informal approach. Capital improved 12.5p to 142.5p. Dealers say Rutland Trust

may be prepared to sell its stake in the company in order to fund another acquisition.

Allied Colloids, the specialist chemicals group, continued to gain on confirmation it had received a bid approach. It closed up 14.5p to 139.5p.

UniChem pipped Allied at the post for the trophy of biggest riser in the Footsie 250

index, though. The announcement of a merger with Alliance Sante sent UniChem soaring 58p to 346p. The deal will create Europe's second-largest wholesaler and retail company.

Footsie was in the blue most of the day, encouraged by a rally overnight in Tokyo, and a firm opening on Wall Street. A benign set of eco-

nomic figures also helped ensure Footsie closed up 78.3 points, a whisker over the 4,900 mark at 4,908.4.

Several stocks benefited from disposals. Powell Duffryn added 13p to 44.5p after selling Eurogas, its liquefied petroleum gas heating fuel unit, to Calor Gas, raising £13.5m. ICI ended 26p better off at 857p after selling its UK fertiliser business for £200m.

There were some red flicks among many of the second liners, though. Croda International had a bumpy time after saying the strength of the pound and the turbulence in the Asian markets had hit performance in the nine months to September. It lost 6.5p to end at 357.5p, and received no help from SBC Warburg, which was making negative noises. Credit Lyonnais Laing was also bearish.

cutting its 1997 pre-tax profits forecasts by £2m to £41m.

For the second day running, the numbers failed to add up for Jolliffe Group. It left the second division falter once again, down 11p at 145.5p. Yesterday, it managed to drag fellow telecom company, COLT Telecom, into the doldrums. COLT finished 13.5p poorer at 585p.

Manchester United took a knock after the football club's chief executive, Martin Edwards, said he was discussing a possible transfer bid for Marcelo Salas, the Chilean international striker. Market-makers worried that the club was about to spend unwisely, got out the red pens, and sent the shares down 7.5p to 616.5p.

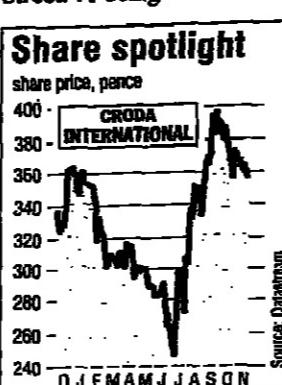
People problems also depressed Save Group, the petrol retailer. It ended its managing director's contract, and saw its shares tumble 2.5p to 97.5p.

### TAKING STOCK

The chairman, Neville Abraham, and deputy chairman, Laurence Isaacson, of Groupe Chez Gerard, the restaurants business, have each made £1.2m by selling 425,000 shares. They said yesterday they had sold in response to "strong demand from new institutional investors". The shares remained unchanged at 276.5p.

The board of Merchant Retail Group, owner of the Perfume Shop and Jollings, has snapped up 475,000 shares over the last three days. The stock closed up 1p yesterday at 29.5p. The group recently released better than expected interim profits, but still made a loss of £170,000 before tax, after the cost of opening new Perfume Shop outlets. The house broker, Charterhouse Tilney Securities, issued a buy note earlier this week.

Scorehouse  
to do more



### Alcoholic Beverages

### Banks, Merchant

### Bars, Retail

### Diversified Industrials

### Breweries Pubs & Restaurants

### Building Construction

### Chemicals

### Engineering

### Food Producers

### Gas Distribution

### Health Care

### Hotels & Restaurants

### Household Goods

### Electronics

### Automotive

### Leisure & Hotels

### Financials

### Industrial Goods

### Investment Trusts

### Insurance

### Manufacturing

### Pharmaceuticals

### Properties

### Retailers Food

### Telecommunications

### Textiles & Apparel

### Transport

### Utilities

### Water

### Chemical

### Engineering Vehicles

### Distributors

### Extractive Industries

### Financial Services

### Food

### Healthcare

### Industrial Goods

### Manufacturing

### Pharmaceuticals

### Properties

### Support Services

### Textiles & Apparel

### Transport

### Utilities

### Water

### Chemical

### Engineering Vehicles

### Distributors

### Extractive Industries

### Financial Services

### Food

### Healthcare

### Industrial Goods

### Manufacturing

### Pharmaceuticals

### Properties

### Support Services

### Textiles & Apparel

### Transport

### Utilities

### Water

### Chemical

### Engineering Vehicles

### Distributors

### Extractive Industries

### Financial Services

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### Healthcare

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### Utilities

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### Chemical

### Engineering Vehicles

# 27/BUSINESS

## THE INVESTMENT COLUMN

EDITED BY ANDREW YATES

### Storehouse needs to do more

Storehouse, the Bhs and Mothercare retailer, has taken a terrible pounding in the City in the last year or so. With analysts questioning the group's ability to increase sales, the shares have halved between early 1996 and this summer.

Though they have since staged a recovery of sorts they have still underperformed the market by more than 26 per cent in the last year.

The main problem has been the sales line, and yesterday's half year figures did little to reassure the company's doubters. Though retail profits were up by nearly 8 per cent to £40m in the six months to 11 October, same-store sales were up by just 1.3 per cent at Bhs and at 1.9 per cent at Mothercare.

In current trading, group sales in the five weeks since the end of the half year are ahead by 9.4 per cent on the same period last year on margins that have edged ahead.

That looks fine but when new space is stripped out analysts estimate the underlying growth to be only 1.5-2 per cent. Given the higher depreciation charges and interest costs in the second half, Storehouse will have to do a bit better than that if profits are to be driven forward.

To be fair to management, they are operating in difficult markets. The childrenswear market has been badly affected by the growing popularity of branded sportswear affecting both Mothercare and Bhs. The acquisition of Children's World from Boots last year has given Storehouse an out-of-town alternative. The stores are being converted to the Mothercare World format with £24m earmarked to upgrade 15 of the stores.

At Bhs Storehouse is concentrating on improving product and the store environments but analysts are worried that the move to offering more value lines will take the stores into even more competitive territory.

The City view is that Storehouse will need a very good Christmas to achieve the £127m full year forecasts many have pencilled in. On yesterday's closing price of 235.5p up 0.5p yes-

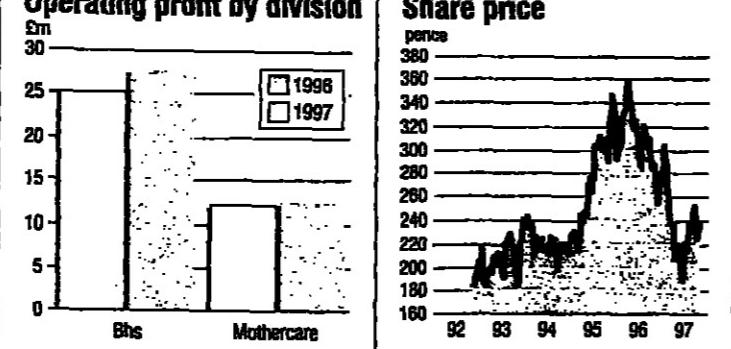
### Storehouse: At a glance

Market value: £991.5m, share price 235p

#### Trading record

	1996	1997	1998	1999
Turnover (£m)	1,079	1,083	1,249	590.5
Pre-tax profit (£m)	100.2	102.5	97.0	67.3
Earnings per share (p)	14.8	17.8	15.2	7.7
Dividends per share (p)	—	—	—	6.6

#### Operating profit by division



esterday, that puts the stock on a lowly rating of less than 11. Cheap, but the company will probably need a couple of good trading statements before a re-rating is achieved. Not worth chasing yet.

### Good prospects for ED&F Man

What on earth do sugar refining and asset management have in common? Well, ED&F Man, the agricultural products and financial services group, for a start.

The City turned its back on this highly unusual combination of businesses when the group floated in 1994 and the shares remained in the doldrums until the start of this year.

However ED&F Man has gradually won over sceptical investors. Yesterday, shares hit an all-time high of 229.5p, 49.5p higher than at flotation and 12p up on the day, on the back of a strong set of first half results.

Broker BZW forecasts current year profits of £95m, putting the shares on a p/e ratio of under 10 for the full year, falling to around 8.5 for the year ending March 1999. A

So why combine cocoa and sugar

with brokerage and fund management? In ED&F Man's case, the answer is expertise in futures markets. The company not only processes and distributes agricultural products, it also trades in them. And its financial services arm specialises in futures and options.

This business has had a cracking six months. Brokerage profits leapt 52 per cent to £7.9m due to frenetic market activity. And, with both funds under management and product range growing rapidly, asset management looks in good shape. Profits here almost doubled to £15m.

On the agricultural front, things don't look bad either. The group rid itself of its troubled cocoa processing facilities, netting itself a £21.5m windfall gain in the process. Its recent molasses purchase should help boost profits in the coming months.

And the group's Australian sugar refinery, which lost £10m last year, looks on course to return to the black following a merger with another refinery.

Broker BZW forecasts current year profits of £95m, putting the shares on a p/e ratio of under 10 for the full year, falling to around 8.5 for the year ending March 1999. A

prospective yield of more than 6 per cent also looks attractive. Given the bright prospects at ED&F Man, the shares look good value.

### Growth falters at Glenmorangie

Although fewer drinkers are partaking of a wee dram in Britain, Scotch whisky sales around the world are still growing strongly. More and more people in the Far East are splashing out on a bottle of fine malt. Glenmorangie, which supplies some of the best and most expensive whisky around, should be cashing in. So at first glance its results look disappointing. After a great year last year profits rose just 6 per cent to £4.57m in the six months to September.

There are several factors holding back the group's growth. The strong pound hit US profits. Glenmorangie's international ambitions have also hit a few snags. India has proved a tough nut to crack and its investment in China will not provide a meaningful boost to profits for some time yet. Japan sales also slumped, with customers holding back on purchases pending a fall in duty.

And in the face of intense competition maintaining its market leadership does not come cheap. Marketing spend jumped 23 per cent in the six months and it will continue to grow by at least 15 per cent a year.

However despite this dull performance, going forward Glenmorangie should be able to continue to achieve double-digit profit growth. It has scope to increase margins by conserving stocks in order to sell them at a higher price in years to come. It can also cut costs as it reaps the benefits of the new distillery at Tain.

The worldwide whisky market is forecast to grow at 7 per cent a year and Glenmorangie has consistently grown faster than the market. New products from the recently acquired Ardbeg Distillery also look encouraging. Glenmorangie's shares were unchanged at 950p on yesterday's results. Before one-off disposal gains pre-tax profits for the six months to September rose 51 per cent to £39.7m.

So why combine cocoa and sugar

## PEOPLE & BUSINESS

### JOHN WILLCOCK



Wedding anniversary celebrations at Westminster Abbey. Off with his head, I say.

Mr Howard's next big adventure starts next week when he heads up a British Invictus four day visit to China to bang the drum for Britain. Accompanied by Lord Hurd of Westwell, the dynamic duo are taking 31 UK business bods with them to push the theme: "Open Markets - The Mutual Benefit". Let's hope they can calm Chinese nerves over the Hong Kong market's roller-coaster ride since the handover.

Perhaps messrs Howard and Hurd should take along Sir Leonard Appleyard, ambassador to China until the beginning of this month, who was snapped up yesterday by Barclays Capital as a director and senior adviser.

Sir Leonard, 59, became ambassador in September 1994, and before that he held senior posts in Moscow, Hungary and New Delhi. He read classical Chinese at Cambridge, which I suppose means he's a mandarin who can speak Mandarin. No doubt he'll get on well with Sir Peter Middleton, Barclays Capital's chairman and another former Whitehall stalwart.

Continuing the Oriental theme, David Price, who was yesterday appointed a non-executive director of the Scottish American Investment Company (Saints), was born in China in 1947. After Oxford in he joined the old SG Warburg in 1969.

As he worked his way up, he also became a director of Mercury Asset Management in 1978. He left as deputy chairman of MAM this June. I do hope Mr Price doesn't regret his timing, as he reads about the £14m windfall for MAM chairman Hugh Stevenson, courtesy of Merrill Lynch's £3bn takeover.

I hadn't realised that Mr Stevenson began his career 30 years ago as a solicitor with City law firm Linklaters & Paines (now redubbed Linklaters). Linklaters have been advisers to Merrill Lynch for some time in the UK. It was with complete surprise therefore that their senior partners read in the press this week that legal advisers to Merrills during the acquisition talks were Freshfields, their City rivals. Perhaps Merrills thought there was a potential conflict of interest due to Mr Stevenson's past. Whatever the reason, it's a brutal world out there.

The Dutch top brass at ING have poached Indian-born Arjun Mathrani from Chase Manhattan in New York to head up the ING Barings investment banking operation, based in London. Mr Mathrani will report to the present head of ING Barings, Marius Minderhoud, who is returning to head office in Amsterdam to be chairman of the investment bank.

The Dutch are delighted to have lured such a heavyweight to manage the business, which has grown from 4,000 people to 9,000 employees since the beginning of the year. Originally the bones of Barings, bought for £1 after the Leeson episode, ING Barings now includes great chunks of what was ING's international businesses, and Mr Mathrani has been brought in to knock it all into shape.

#### Foreign Exchange Rates

Country	Sterling			Dollar			D-Mark		
	Spot	1 month	3 month	Spot	1 month	3 months	Spot	1 month	3 months
UK	10,000	2,457.5	2,452.2	0.6910	0.6910	0.6910	0.5038	0.5042	0.5042
Australia	2,460.5	2,467.5	2,462.2	1.4544	1.4544	1.4544	1.0265	1.0265	1.0265
Austria	20,591	20,588	20,591	1.0750	1.0750	1.0750	0.7275	0.7275	0.7275
Belgium	2,463.5	2,467.5	2,462.2	0.6910	0.6910	0.6910	0.5038	0.5042	0.5042
Denmark	1,932.5	2,367.5	2,362.2	1.4077	1.4077	1.4077	1.0265	1.0265	1.0265
ECU	1,932.5	1,932.5	1,932.5	1.4075	1.4075	1.4075	1.0265	1.0265	1.0265
Finland	2,462.5	2,467.5	2,462.2	0.6910	0.6910	0.6910	0.5038	0.5042	0.5042
Germany	2,595.5	2,592.5	2,591.2	1.7373	1.7373	1.7373	1.2722	1.2722	1.2722
Greece	46,188.5	46,175.5	46,172.2	1.4075	1.4075	1.4075	1.0265	1.0265	1.0265
Hong Kong	2,462.5	2,467.5	2,462.2	0.6910	0.6910	0.6910	0.5038	0.5042	0.5042
Ireland	1,927.5	2,367.5	2,362.2	1.4077	1.4077	1.4077	1.0265	1.0265	1.0265
Italy	2,462.5	2,467.5	2,462.2	0.6910	0.6910	0.6910	0.5038	0.5042	0.5042
Japan	2,328.5	2,328.5	2,328.2	1.0750	1.0750	1.0750	0.7275	0.7275	0.7275
Malta	5,925.5	5,924.5	5,923.2	1.4075	1.4075	1.4075	1.0265	1.0265	1.0265
Mexico	1,324.5	1,324.5	1,324.2	0.6910	0.6910	0.6910	0.5038	0.5042	0.5042
Netherlands	3,324.5	3,347.5	3,342.2	1.4075	1.4075	1.4075	1.0265	1.0265	1.0265
New Zealand	2,743.5	2,747.5	2,742.2	1.4075	1.4075	1.4075	1.0265	1.0265	1.0265
Norway	2,462.5	2,467.5	2,462.2	0.6910	0.6910	0.6910	0.5038	0.5042	0.5042
Portugal	2,005.5	2,028.5	2,023.2	1.4075	1.4075	1.4075	1.0265	1.0265	1.0265
Saudi Arabia	6,342.5	6,338.5	6,332.2	1.4075	1.4075	1.4075	1.0265	1.0265	1.0265
Singapore	2,277.5	2,282.5	2,287.2	1.4075	1.4075	1.4075	1.0265	1.0265	1.0265
South Africa	6,025.5	6,025.5	6,025.2	1.4075	1.4075	1.4075	1.0265	1.0265	1.0265
Spain	2,462.5	2,467.5	2,462.2	0.6910	0.6910	0.6910	0.5038	0.5042	0.5042
Sweden	1,221.5	1,227.5	1,222.2	1.4075	1.4075	1.4075	1.0265	1.0265	1.0265
Switzerland	2,358.5	2,377.5	2,358.2	1.4075</					

## Ergometer brings the ego down to earth

After the disappointment of finishing last in the single sculls final at the Moscow Olympics, Hugh Matheson retired from rowing. Seventeen years on, our Rowing Correspondent has decided to take up competition again. He explains why.

It's too late to back out now and there is only 10 days to go. Next Sunday week, alongside 1,200 others, I will step on to a rowing ergometer - a fiendish machine that simulates the rowing action perfectly and exhausts you likewise - in a huge gymnasium in Reading, and race a mock Olympic course of 2,000 metres. The energy put in, and the distance covered, and the various names for sweat - watts, calories, minutes per 500m - are displayed on small computer which rears up in front of your nose as you slide up to the catch of each stroke.

It will take something over six minutes to cover the distance, just how much more is crucial. There are 24 entries in the 45-49 age group into which I fall, and, according to John Wilson of Concept II, the makers of the machines used in the Perpetual Indoor Championships for the last seven years, the winner will take between six minutes 15 seconds and six minutes 30 seconds "unless some monster comes through the door".

By that, he meant a monster like Andy Ripley, the former Rosslyn Park, England and Lions No 8. He started on the rowing machine in the early 1980s, as training for rugby, and has dominated the competition since. Last year he won my age group in 6min 9sec. This is only 15 seconds slower than the best times of most Olympic gold

medallists. I'm here in part because the famous Ripley should by now have moved up to the 50-plus group; except that he is now trying to become a Master of Philosophy in the Fens, and as a Light Blue Boat Race contender must enter the men's open category. He will probably finish in the top 10 there.

So what else is a shagged-out 48-year-old doing, 17 years after he quit following a disastrous last place in the single sculls final in the Moscow Olympics, making any sort of return to competitive rowing even indoors? Let us get one thing clear: it is not a mid-life crisis. Neither my figure, nor my marriage, nor my work (part of it as rowing correspondent for *The Independent*) has gone to pot.

But one thing has changed. For years after failing in Moscow I knew that I had lost my "bottle" in the final. There were lots of reasons, but chiefly it was my last race, and without the "well there's always next year" cop-out, the pressure was different in quality to anything I had known before.

In place of "doing your best", and seeing what comes, was a desperate need to show that the huge amount of training, greater than any than anything that had gone before, would bring a win and nothing less. I was, after 18 months in the single scull, a novice among specialists, but I had strength and racing nous.

I had been assured that physically, as measured by the amount of oxygen my lungs could extract from each gulp of air, there was no limitation on how high I could finish. From the start it went well, and coming up to half-way I was in second place and feeling strong.

Then, wham, I caught one scull on the lane marker and slewed to a halt. I picked up again in last place and threw everything into getting back on

pace. I can remember getting back close to the front when the lid slammed shut and there was nothing left in the box labelled pride.

When that has happened at 31, you don't feel like getting out again for another four-year cycle, and what you can't do yourself, you teach. So 10 years of coaching followed, until writing and commentating took over.

But as you get further away from it, watching others do it makes you forget how bad it felt to lose. Then someone suggests that the rowing ergometer is a swifter way of working off unused testosterone than running, and is easier on the overloaded joints. Then you've bought one and you find that 30 minutes at a steady pace every Sunday evening gives you a little more spring on the stairs for the rest of the week.

Six months later, in August, the advance publicity for the indoor champs comes through the door, and then - well, Ripley's gone so there's a chance that some of the old oppo has faded more than you. So you put in an entry. But it is still not real; funk is still possible. It is safe to fantasise while doing your weekly half-hour. Adrenalin is beginning to override the caution that should govern those beginning to lose their hair.

When training on the machine, still to no particular programme, the temptation comes to put in a little burst of flat-out pressure and, curiously, all these years later you enjoy it. As you get a little stronger you sense that, because you have done 10 years' hard labour in the past, every little bit of training now pays bigger dividends.

The sense of extra profit from new work is a stimulant to all the senses and the thought of rowing to exhaustion

in competition becomes enticing, not intimidating.

One way to get serious at this point, a couple of months before the race, is to see how the old lung power, known in the trade as VO<sub>2</sub> max, is getting along. A call to Dr Henry Lakhani at nearby Loughborough University sets up a test on the same sort of machine but with breathing tubes stuck in your mouth and standard torturer's instrumentation on the table.

There is also Spencer Newport, a see-through distance runner made up from thighs and lungs and little else and Gordon Burton, a heavyweight rower who will be at the champs and tells me his best 2,000 metre time on the ergometer is 6min 23sec. Just about on target to win my age group.

After the warm-up they set me off and panic quickly follows, although the air intake line is far bigger in diameter

than my windpipe, I feel starved of oxygen and begin to hyperventilate, grinding to a pink-faced halt.

We try again, with adjustments, but this time I panic to a stop a little after half-way. The third time they only run the VO<sub>2</sub> max apparatus for the fifth minute and I complete the test, but in 6min 44sec. Gordon Burton tries not to patronise me, but privately I am sure he's chuffed that this know-all, who came in off the

street, has been beaten by the machine. The VO<sub>2</sub> is now a shade over five litres a minute; down a good two litres from the peak.

"It should show some improvement doing a straight test, without the breathing apparatus," he says. Damn right. This will do as a benchmark, but the spur to train is now well dug into my flanks.

*Next week: the story of the last month before the race.*

Photograph: David Ashdown

### FOOTBALL

## Iranian amnesty angers Venables

Australia's coach, Terry Venables, has launched a stinging attack on Fifa after football's world governing body announced a yellow-card amnesty for Iran before tomorrow's World Cup play-off in Tehran.

Fifa has cleared four Iranian players, who were booked during the 3-2 defeat against Japan in Malaysia last weekend, to play in the game. Venables said: "Are we all following the rules here, or not? I can't even dream of why. This is definitely an unfair issue."

Soccer Australia's chairman David Hill, who had angered Iranian authorities with remarks about negative playing condi-

tions in Tehran, said yesterday that his team was looking forward to the Iran game. Hill said that his comments about conditions in Iran were based on information provided by the Australian Foreign Ministry.

In his other guise, as the Portsmouth chairman, Venables said he would be interested in talking to the rock musician Brian Howe if the former Bad Company singer is serious about investing in the club.

The Southampton chairman, Rupert Lowe, has called on David Mellor, the head of the Government's Football Task Force, to apologise for comments he made on his ra-

dio show, which the businessman believes to be slanderous.

Last Saturday evening on BBC Radio 5 Live, Mellor criticised the way in which Lowe conducted himself during his recent takeover of the Saints.

Aston Villa will attempt to resurrect Savo Milosevic's £4m transfer to Napoli today when officials from the Italian club visit Birmingham. Napoli's interest had cooled when Milosevic spoke out against the deal.

Manchester City expect new Georgian signing Murtaz Shelia to arrive tomorrow, after he failed to turn up yesterday. The defender, who is joining City in a £400,000 move from

the Turkish side Trabzonspor, missed his flight from Georgia.

The Italian goalkeeper Stefano Vissi could become Ron Atkinson's first signing for Sheffield Wednesday. The 25-year-old, who is currently with the Serie B side Pescara, is on trial at Hillsborough.

Coventry have made £3m bid for the Romanian striker Viorel Moldovan. The Sky Blues' manager, Gordon Strachan, watched Moldovan in action for his club, Grasshopper Zurich, last week.

Everton have improved their offer for the Norwegian goalkeeper Thomas Myrhe, who plays for Viking Stavanger.

### NON-LEAGUE NOTEBOOK

## Halifax hope to profit from rivals' Cup considerations

Halifax Town will be hoping that both Huddersfield and Cheltenham, two of their rivals for the GM Vauxhall Conference title, continue to be distracted by progress in the FA Cup.

After Huddersfield had finished celebrating their fine FA Cup win at Hull City last weekend, they learned that they had been replaced at the top of the Conference by Halifax, who had won 1-0 at Shrewsbury.

Off the field, Halifax are

in hand - over the Pitmen, while third-placed Cheltenham are in close pursuit, four points behind Huddersfield with two games in hand as well.

All three championship chasers have home games tomorrow. Cheltenham entertain the bottom club, Gateshead, Huddersfield meet Slough while Halifax play host to Hereford.

Off the field, Halifax are

continuing their preparations for a possible return to the

Football League. Along with

Halifax Blue Sox rugby league club, they have signed a new 10-year lease at the Shay Stadium, at which construction of a new terraced stand is due to start next month. On the field, their top scorer, Geoff Horsfield, will return from suspension tomorrow but they will be without their captain, the former Huddersfield midfielder Kieran O'Regan, who begins a ban.

Like Halifax, Cheltenham

were not among the pre-season

favourites for promotion but,

under the management of the former Wimbledon striker Steve Cotterill, their unbeaten league run stands at 11 games.

Last weekend, in the FA Cup, they inflicted the first defeat in any match this term upon Tiverton, thanks to a late winner from the former Woking Cup hero, Clive Walker.

With a home second-round tie against Boreham Wood, Cheltenham have a great chance of reaching the third round.

- Rupert Metcalf

### MOTOR RACING

## Bridgestone's tyre change

The Japanese tyre manufacturers, Bridgestone, are to develop new Formula One tyres in line with rule changes that caused Goodyear to announce their withdrawal from the sport.

"We are determined to develop new tyres based on new rules adding the data we collected this season, and continue to supply competitive tyres for Formula One racing for the future," their vice-president, Tada-kazu Harada, said.

Bridgestone returned to racing this season after more than two decades and supplied

Arrows-Yamaha, Prost-Mugen-Honda, Minardi-Hart and Stewart-Ford.

Goodyear took Formula One by surprise on Wednesday by announcing they are to quit at the end of next year because of new rules forcing the use of tyres with grooved treads that would need costly changes.

They supplied tyres for nine teams, including Williams-Renault, McLaren, Ferrari, Jordan Peugeot, Tyrrell-Ford, Benetton-Renault and Sauber-Petronas.

### RUGBY LEAGUE

## Wigan sign Australian Bell

Wigan have made their second Australian signing under their new coach, John Monie, recruiting the St George winger Mark Bell on a three-year deal.

Bell joins the London Broncos prop Tony Mestrov at Central Park next season, with the Hunter Mariners hooker Robbie McCormack also lined up.

Wigan are, however, hanging on to former Auckland Warriors full-back Doc Murray.

The Great Britain winger Anthony Sullivan has become the latest player to seek to leave St Helens, citing "personal dif-

ferences" with the club. Another international three-quarter, Alan Hunt, has already said he wants to leave. Promoted Super League side, Hull, are interested in signing him, Steve Prescott and Simon Booth in a £350,000 package.

Sullivan and Hunt both played against Australia in the recent Test series, while Prescott is an England full-back.

His place is under threat following the signing of Paul Aitchison, but he says he has expressed no wish to leave.

- David Hodfield

**NBA LIVE '98**

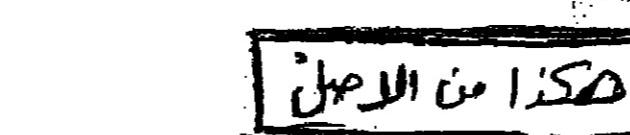
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## 29/RACING

## Evans causes a stir with Panther's double-take

The RSPCA has criticised the plan by the trainer David Evans to run a horse called Panther in two races at Wolverhampton this afternoon. John Cobb considers whether the welfare organisation is being over-sensitive.

It is a mess and one that will draw attention to racing in a way that the sport's rulers could well do without, but is there any

great need to fret about the welfare of Panther, a gelding who is declared to run in two races at Wolverhampton today?

The Jockey Club's concern yesterday was whether the horse's trainer, David Evans, was about to break any rules, but it seems that he will be in trouble only if he does not fulfil his commitments to run the horse rather than if he does.

The Club's spokeswoman, Julia Cook, said: "If he runs the horse in both races there is no rule to stop him. But if he doesn't run in both he will be fined, under rule 144 (ii)."

It is a mess and one that will draw attention to racing in a way that the sport's rulers could well do without, but is there any

great need to fret about the welfare of Panther, a gelding who is declared to run in two races at Wolverhampton today?

"We think the question is not 'am I going to get fined?' but about the horse's welfare."

Evans has entered the seven-year-old Panther in the 1.55 race and the 3.00 race and is keen to let him take his chance in both. He admits that he will be fined, under rule 144 (ii).

He will probably run in

eliminated from the second race, the Dudley Handicap, so he also declared him yesterday morning for the Dunston Claiming Stakes.

**RICHARD EDMONDSON**  
NAP: El Agapi Mou  
(Ascot 3.40)  
NB: Aller Moor  
(Ascot 1.35)

When the two races were heavily oversubscribed both were divided at the overnight stage, leaving Panther in the field for each contest.

"He will probably run in

both," Evans said. "I hadn't planned it this way but we declared him twice to get a run and he will run in the claimer and then we will see how he is."

"He is a lazy horse and we will get fined if we take him out of one of the races so we will probably run in both."

Panther's laziness is probably the key to whether or not he will suffer from the experience. If he has had enough after the first race then there is very little that his jockey, Jason Wright, will be able to do to persuade him to exert himself.

The rules that insist that the

horse must run may be strict, but the regulations concerning use of the whip are even tighter.

Then there is the distances of the races contested, six furlongs and then seven furlongs. Both fall within the sprinting category and the total distance that Panther will cover is around only half the journey that the jumpers will travel in the second race at Ascot.

Panther is no stranger to hard work having run 85 times in a career which started in 1992 and in which he has won seven races. None of those wins

have come this season, however, and his slowness is probably as much to do with his unwillingness to exert as it is to his lack of ability.

Running more than once in a day used to be a common occurrence. Until the Jockey Club rules were altered in 1930, the owner of a horse which had dead-heated could challenge the other to a run-off. If the challenger was turned down then the instigator of the challenge took all the prize.

The last dead-heat to be run-off was in a racing handicap at Newbury in June, 1930.

## BOXING

## Maloney flies off to tie up Hollyfield fight

Lennox Lewis's manager, Frank Maloney, flew out to New York yesterday hoping to agree terms for a unification fight with World Boxing Association and International Boxing Federation heavyweight champion, Evander Holyfield. Maloney and the World Boxing Council holder's backer Panos Eliades will meet with American promoter Don King and all parties with the aim of setting up a three-title show-down in April or May.

It has been reported that Holyfield is making such huge financial demands that the fight will be difficult to put together but Maloney said: "Nobody knows what Holyfield wants. It will all come out at the meeting. No figures have been mentioned yet, but a 60-40 share of the purse is what we are looking at."

Prince Naseem Hamed and Chris Eubank have been warned by the British Boxing Board of Control over last month's fracas at Heathrow.

The world champions present and past have been told by the Board that any similar incident will result in disciplinary action.

John Morris, the Board secretary, said yesterday: "It is much to be regretted when egos clash in this way, and whatever the private dispute there may or may not be between these two, we feel that it does nothing for the reputation of the boxer, apart from any damage it might do to boxing."

Hamed was leaving for the World Boxing Organisation annual convention in Los Angeles when he clashed with Eubank at Terminal 3.

The clash came when Sheffield's featherweight champion asked Eubank if he wanted to take a look at his title belts and promoter Frank Warren, an eye witness, said: "Eubank struck Hamed and Hamed retaliated by striking Eubank."

Both fighters have publicly aired their versions, but the Board's statement reads: "The British Board of Control studied reports of the recent 'scuffle' between Naseem Hamed and Chris Eubank at Heathrow Airport and, without apportioning blame, believes that behaviour of this sort for whatever reason damages the image of boxing."

## EQUESTRIANISM

## Olympia has classy entry

Franke Sloothaak and Ludger Beerbaum, the world and European show jumping champions, are due to make their only visit to Britain this year to compete in the Olympia Show Jumping Championships from 18 to 22 December.

Sloothaak has twice been out of action because of injury this year. His latest accident was at Stuttgart last month when he dislocated his right shoulder, but he is hoping to be back in time for the London show.

The two German riders are among the usual top-class entry for this annual meeting, which includes Britain's only qualifier for the Volvo World Cup. Nine of the top 10 on the World Jumping Rankings have entered, the exception being Austria's Hugo Simon.

British entries include two of the top ten in the world: John Whitaker (third) and Geoff Billington (tenth). Among their compatriots will be Michael Whitaker (12th), Robert Smith (16th) and Nick Skelton (18th).

"We are lucky in that this is one of the few shows that the riders want to compete in," said Simon Brooks-Ward, director of the Olympia meeting. The fixture is equally popular with the public.

Brooks-Ward, also director of both the Royal Windsor Horse Show and the Pavarotti International Horse Show at Modena in Italy, will be one of the key organisers for the 1999 European Show Jumping Championships which have just been awarded to Harrogate by the International Equestrian Federation.

It is hoped some international classes can be held as a dress rehearsal at Harrogate next year, possibly during the Great Yorkshire Show.

## ASCOT HYPERION'S TV TIPS

2.40: Mr Percy was at big odds when winning a valuable handicap last Sunday because he had previously been heavily defeated by PRIDEWELL. In retrospect, that form was no disgrace because Tony McCoy's mount is clearly in rude health. McCoy's rivals will be hoping, however, that Pridewell's former habit of refusing to co-operate reasserts itself. The ex-Reg Akehurst-trained Blaney is best watched on his first run for a new stable.

GONG: Good.

Right-hand course with testing uphill finish. Tough fences.

Course: 1.2m. Turn of 1.2m and A333. Station approach course. ADMISSION: Members £22 (Junior Members £12; Senior price); Grandstand & Paddock £31; Silver Ring £32. CAR PARK: Free parking available.

LEADING TRAINERS WITH RUNNERS: D Nicholls - 14 wins from 60 runners gives a success ratio of 23.3%. N Henderson 13-61 (19%); N Twiston-Davies 13-82 (15.9%); M Pipe 12-57 (22.2%); G Moore 11-52 (19.2%); S Lupton 6-57 (10%); P Hills 6-45 (12.9%).

FAVOURITES: 121 wins from 372 races (32.8%).

BLINKERED FIRST TIME: High in the Sky (20).

## ASCOT

**HYPERION**  
2.40 Pridewell  
3.10 Leocord  
3.40 Princeful

Full of Bounce was the inappropriately named beast that prematurely ended Richard Dunwoody's riding obligations yesterday at Wincanton, on a day when two more riders joined an impressive list of casualties who will be absent from the tracks in the coming weeks. Dunwoody's injuries were

of Pridewell in four meetings last season when both were unplaced in the Cheltenham Festival on Hurdle. Pridewell, however, has turned over a new leaf and has beaten beaten only once (when conceding 27lb to Ashwell Boy at Cheltenham) since they last met, whereas Blaney has also had a change of stable. There is now no question who is likely to be the strongest and Pridewell, who has been enjoying himself beating small fields, can carry on the good work. The horse will not truly burst into life until the end of November, but he is now in fine form and will be getting a lot more than 10lb from Pridewell in a handicap. Ocean Hawk's best moment came when he won the Long Walk Hurdle over an extra five and a half furlongs on fast ground here last December. The others wouldn't want to allow him too much room.

SELECTION: Pridewell.

2.41: Supreme Charm, 4-1 Macmillan, 5-1 Gailor, 6-1 Aller Moor, 7-1 Leocord, 8-1 Princeful.

BETTING: 6-4 Pridewell, 11-4 Blaney, 7-2 Ocean Hawk, 8-1 P. Hills, 9-1 Leocord, 10-1 Princeful.

2.42: Supreme Charm, 4-1 Macmillan, 5-1 Gailor, 6-1 Aller Moor, 7-1 Leocord, 8-1 Princeful.

BETTING: 6-4 Pridewell, 11-4 Blaney, 7-2 Ocean Hawk, 8-1 P. Hills, 9-1 Leocord, 10-1 Princeful.

2.43: Supreme Charm, 4-1 Macmillan, 5-1 Gailor, 6-1 Aller Moor, 7-1 Leocord, 8-1 Princeful.

BETTING: 6-4 Pridewell, 11-4 Blaney, 7-2 Ocean Hawk, 8-1 P. Hills, 9-1 Leocord, 10-1 Princeful.

2.44: Supreme Charm, 4-1 Macmillan, 5-1 Gailor, 6-1 Aller Moor, 7-1 Leocord, 8-1 Princeful.

BETTING: 6-4 Pridewell, 11-4 Blaney, 7-2 Ocean Hawk, 8-1 P. Hills, 9-1 Leocord, 10-1 Princeful.

2.45: Supreme Charm, 4-1 Macmillan, 5-1 Gailor, 6-1 Aller Moor, 7-1 Leocord, 8-1 Princeful.

BETTING: 6-4 Pridewell, 11-4 Blaney, 7-2 Ocean Hawk, 8-1 P. Hills, 9-1 Leocord, 10-1 Princeful.

2.46: Supreme Charm, 4-1 Macmillan, 5-1 Gailor, 6-1 Aller Moor, 7-1 Leocord, 8-1 Princeful.

BETTING: 6-4 Pridewell, 11-4 Blaney, 7-2 Ocean Hawk, 8-1 P. Hills, 9-1 Leocord, 10-1 Princeful.

2.47: Supreme Charm, 4-1 Macmillan, 5-1 Gailor, 6-1 Aller Moor, 7-1 Leocord, 8-1 Princeful.

BETTING: 6-4 Pridewell, 11-4 Blaney, 7-2 Ocean Hawk, 8-1 P. Hills, 9-1 Leocord, 10-1 Princeful.

2.48: Supreme Charm, 4-1 Macmillan, 5-1 Gailor, 6-1 Aller Moor, 7-1 Leocord, 8-1 Princeful.

BETTING: 6-4 Pridewell, 11-4 Blaney, 7-2 Ocean Hawk, 8-1 P. Hills, 9-1 Leocord, 10-1 Princeful.

2.49: Supreme Charm, 4-1 Macmillan, 5-1 Gailor, 6-1 Aller Moor, 7-1 Leocord, 8-1 Princeful.

BETTING: 6-4 Pridewell, 11-4 Blaney, 7-2 Ocean Hawk, 8-1 P. Hills, 9-1 Leocord, 10-1 Princeful.

2.50: Supreme Charm, 4-1 Macmillan, 5-1 Gailor, 6-1 Aller Moor, 7-1 Leocord, 8-1 Princeful.

BETTING: 6-4 Pridewell, 11-4 Blaney, 7-2 Ocean Hawk, 8-1 P. Hills, 9-1 Leocord, 10-1 Princeful.

2.51: Supreme Charm, 4-1 Macmillan, 5-1 Gailor, 6-1 Aller Moor, 7-1 Leocord, 8-1 Princeful.

BETTING: 6-4 Pridewell, 11-4 Blaney, 7-2 Ocean Hawk, 8-1 P. Hills, 9-1 Leocord, 10-1 Princeful.

2.52: Supreme Charm, 4-1 Macmillan, 5-1 Gailor, 6-1 Aller Moor, 7-1 Leocord, 8-1 Princeful.

BETTING: 6-4 Pridewell, 11-4 Blaney, 7-2 Ocean Hawk, 8-1 P. Hills, 9-1 Leocord, 10-1 Princeful.

2.53: Supreme Charm, 4-1 Macmillan, 5-1 Gailor, 6-1 Aller Moor, 7-1 Leocord, 8-1 Princeful.

BETTING: 6-4 Pridewell, 11-4 Blaney, 7-2 Ocean Hawk, 8-1 P. Hills, 9-1 Leocord, 10-1 Princeful.

2.54: Supreme Charm, 4-1 Macmillan, 5-1 Gailor, 6-1 Aller Moor, 7-1 Leocord, 8-1 Princeful.

BETTING: 6-4 Pridewell, 11-4 Blaney, 7-2 Ocean Hawk, 8-1 P. Hills, 9-1 Leocord, 10-1 Princeful.

2.55: Supreme Charm, 4-1 Macmillan, 5-1 Gailor, 6-1 Aller Moor, 7-1 Leocord, 8-1 Princeful.

BETTING: 6-4 Pridewell, 11-4 Blaney, 7-2 Ocean Hawk, 8-1 P. Hills, 9-1 Leocord, 10-1 Princeful.

2.56: Supreme Charm, 4-1 Macmillan, 5-1 Gailor, 6-1 Aller Moor, 7-1 Leocord, 8-1 Princeful.

BETTING: 6-4 Pridewell, 11-4 Blaney, 7-2 Ocean Hawk, 8-1 P. Hills, 9-1 Leocord, 10-1 Princeful.

2.57: Supreme Charm, 4-1 Macmillan, 5-1 Gailor, 6-1 Aller Moor, 7-1 Leocord, 8-1 Princeful.

BETTING: 6-4 Pridewell, 11-4 Blaney, 7-2 Ocean Hawk, 8-1 P. Hills, 9-1 Leocord, 10-1 Princeful.

2.58: Supreme Charm, 4-1 Macmillan, 5-1 Gailor, 6-1 Aller Moor, 7-1 Leocord, 8-1 Princeful.

BETTING: 6-4 Pridewell, 11-4 Blaney, 7-2 Ocean Hawk, 8-1 P. Hills, 9-1 Leocord, 10-1 Princeful.

2.59: Supreme Charm, 4-1 Macmillan, 5-1 Gailor, 6-1 Aller Moor, 7-1 Leocord, 8-1 Princeful.

BETTING: 6-4 Pridewell, 11-4 Blaney, 7-2 Ocean Hawk, 8-1 P. Hills, 9-1 Leocord, 10-1 Princeful.

2.60: Supreme Charm, 4-1 Macmillan, 5-1 Gailor, 6-1 Aller Moor, 7-1 Leocord, 8-1 Princeful.

BETTING: 6-4 Pridewell, 11-4 Blaney, 7-2 Ocean Hawk, 8-1 P. Hills, 9-1 Leocord, 10-1 Princeful.

2.61: Supreme Charm, 4-1 Macmillan, 5-1 Gailor, 6-1 Aller Moor, 7-1 Leocord, 8-1 Princeful.

BETTING: 6-4 Pridewell, 11-4 Blaney, 7-2 Ocean Hawk, 8-1 P. Hills, 9-1 Leocord, 10-1 Princeful.

2.62: Supreme Charm, 4-1 Macmillan, 5-1 Gailor, 6-1 Aller Moor, 7-1 Leocord, 8-1 Princeful.

BETTING: 6-4 Pridewell, 11-4 Blaney, 7-2 Ocean Hawk, 8-1 P. Hills, 9-1 Leocord, 10-1 Princeful.





## Gross happy to put his reputation on the line

Tottenham's new coach has already gained an impressive grasp of the north London club's rich history. Trevor Haylett heard Christian Gross explain yesterday how he hopes to deliver a brighter future to White Hart Lane.

Tottenham Hotspur have always been a club steeped in style and glamour, and successive managers have had to come to terms with that fact pretty quickly. For his first day at White Hart Lane, Christian Gross was decidedly uncool: he caught the tube from Heathrow Airport.

It is an ordinary, everyday occurrence for millions and yet the football fraternity appears at times so far removed from the real world that, when Tottenham's new head coach reached into the top pocket of his jacket to flourish a travel card, it provoked some merriment among his audience. Surviving the 28-stop excursion and arriving on time for an inaugural press conference can be marked down as the first achievement of the Gross era.

Pitting himself against the hazards of the Piccadilly line, Herr Gross explained, would give him an immediate affinity with those Spurs supporters who have to undertake the same journey. "I want to be one of them," he said. "The fans must love the team. I am the coach of the team. We must be together."

That said, the White Hart Lane faithful will be hoping the replacement for Gerry Francis is the man to stop them going down the tubes. They can't help but be impressed by the knowledge he has already acquired on the north London under-achievers who have enticed him to leave Switzerland, and home, behind.

Only minutes after settling into the same seat Francis had vacated barely 24 hours before,



Christian Gross, Spurs' new manager, flourishes the Underground travel card that took him to White Hart Lane yesterday

Photograph: Robert Hallam

there was Gross citing the achievements of Bill Nicholson, the victorious Cup-Winners' Cup side of 1963 and, later, even Harry Hotspur. He would appear a clever politician as well as the clever manager a track record of two league championships as well as the Swiss Cup would suggest in four years with Grasshopper.

The 43-year-old is an im-

posing figure, with the disconcerting habit of raising his voice to emphasise a point in the manner of a parade ground sergeant major. This is one manager who will not struggle to make himself heard either on the training field or in the dressing-room.

Alan Sugar, the Tottenham chairman, made it clear that only those with a resolute dis-

ciplinary hand were on his shopping list when Francis revealed he could not carry on. "Apart from having a good coach and good players, the essential requirement for a successful side is a good team spirit and that comes from discipline," he said.

In the 10 days following Sugar's approach, Gross has worked his way through a video library of all this season's games. He talked yesterday of the benefits of aggression, strength and power in the team, of the importance of realism among supporters.

It was some way from the gospel according to Ossie Ardiles, but who is to say those hard-to-please fans will not take him to their hearts if he can put some success on the board?

"We have to stop the fall of Tottenham," declared Gross, who then said it again lest anyone had not heard him the first time. "There are good players in the squad and we have to bring them together, make them more compact."

The fans must be realistic.

To be successful at first we must play a physical, powerful game. We have to be strong and not

### Gascoigne ban sparks call for video evidence

The Scottish Football Association was yesterday urged to open the way for video evidence to be used in disciplinary matters, as Paul Gascoigne faced up to a five-match ban following his sending-off.

The Rangers and England midfield player was dismissed for violent conduct by the referee John Rowbotham in the Old Firm match on Tuesday after clashing with Mervyn Wieghorst, and now misses his side's December programme.

But even the Dane, who admitted he hugged Gascoigne's shirt, thought the punishment was too severe and television replays showed contact was only

now. The Scottish Players' Union have called for the SFA to allow appeals using video evidence to be made. The players' union leader, Tony Higgins, who is already debating the matter with the Managers and Coaches Association, believes the use of video evidence is a sensible and fair road to go down.

Gascoigne had already accumulated nine disciplinary points for bookings. Tuesday's offence cost him another 12 points, taking his total to 21 and over the threshold. He serves an automatic one-match ban after his dismissal in the 58th minute which means he will miss the match with Motherwell on Saturday.

Gascoigne will return for the game against St Johnstone the following Saturday before beginning a four-match ban on 3 December.

Manchester United's Salas saga took another twist yesterday when the Premiership club announced that they have not entirely ruled out buying the £12m-rated Chilean striker, Marcelo Salas. They could afford him, after all.

"I'll be talking to the chairman [Martin Edwards] and we'll have a chat about the situation," Alex Ferguson, the manager, said.

Edwards revealed the talks to shareholders during United's annual meeting, at which the club announced record profits of £27.6m.

If Salas does go to Old Trafford, Andy Cole will be standing in his way, having signed a new five-year contract yesterday. The signing was announced at the AGM and ends speculation that Cole could be the subject of a bid by Aston Villa.

All is not rosy at the Red Devil's domain, however. Some United supporters have reacted angrily to a warning at the AGM from Edwards that sections of Old Trafford may be closed if supporters continue to stand.

"We have been warned that we could be in trouble with the local authority," Edwards said, but Andy Walsh of the Independent Manchester United Supporters' Association said if that happens, the club will be the ones to blame.

If parts of Old Trafford close, then that will be United's fault for refusing to listen or talk with the fans," he said. "The areas where standing occurs most are in the lower parts of the stadium, where views are poor. If they sat down and discussed these issues properly with supporters' groups then a lot of these problems could be addressed. But all we get is obstruction and an unwillingness to co-operate. The club treats the ordinary fans with contempt."

have too many injuries. Then we can look to play an attractive game, but the most important thing is to be successful. If on the inside the players have hearts like lions, I am sure the results will improve."

Listening to Francis in the second half of his Tottenham stewardship was to be convinced that only their injury toll was preventing them from usurping Manchester United. Gross shares the alarm over a long list of absences and has recruited Fritz Schmidt, the Grasshopper conditioning coach, to work alongside him. In addition, Sugar is to look for a new board member able to liaise closely with the new coach and assume some of the responsibility for recruiting new players.

Fritz will not only have responsibility for the team's physical preparation but will also bring the injured players back to fitness so they can train with me as quickly as possible," added Gross. "I am wondering why Darren Anderton, such an important player to the team, has played just 15 games in two years.

Tottenham are one of the most famous clubs in the world and my aim is to make them better than they have been doing. It will be a great, great challenge to have as much success here as Bill Nicholson. As a nine-year-old, I remember them winning the Cup-Winners' Cup, the first British team to be successful in Europe."

Then, demonstrating that the book recounting Tottenham's history and presenting to him as a farewell gift in Zurich was already well thumbed, Gross added: "Harry Hotspur [the Shakespearean character from the Northumberland family on whose land the White Hart Lane Stadium sits] was a warrior, wasn't he? Why don't we try to make Les Ferdinand the new Harry Hotspur?"

More football; Non-League notebook, page 28

### Fifa to use rankings for World Cup

World Cup seedings have always depended solely on performances in the past three tournaments. So for England, who missed USA '94, the announcement that world rankings will also be used for France '98 is welcome news.

England's chances of being seeded when the draw for next summer's World Cup is made in Marseilles on 4 December 4 improved yesterday when Fifa, the sport's world governing body, said they would be using their world rankings as part of the process to decide the seeds.

It had been feared that Fifa would base the seedings on previous World Cup performances, which would penalise England for failing to qualify for the 1994 tournament. But yesterday Fifa said their rankings, which began in August 1993 and had not settled down enough to be used for the 1994 tournament, would be used this time in conjunction with previous results.

England's win over Cameroon lifted them to sixth in the Fifa world rankings, their highest-ever position. Fifa are likely to use a complicated system which also takes into account performances over the last three World Cups, giving added weight to more recent competitions.

England are likely to be placed 11th in this particular table, but their high position in the rankings should enable them to overtake Belgium and Bulgaria leaving them contesting the last two seedings with Argentina (Fifa ranking 35, World Cup ranking 5) Italy (10, 3) and the Netherlands (12, 9). However Fifa may take an average of recent positions in their ranking rather than the current ones.

A decision will be made two days before the draw, when Fifa's World Cup executive committee meet in Marseilles.

"We have always believed that if there is to be a ranking system, it should be taken into account for the seedings," FA spokesman Steve Double said. "So with our ranking at its best ever level, the Fifa statement could be good news."

He was also realistic, however: "We can't be overly optimistic about our chances. Yet at the World Cup you have to bear the best anyway – so if we are not seeded, then so be it."

– Glenn Moore

### Salas bid is not ruled out by Ferguson as United's coffers swell

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### ALFRED DUNHILL LONDON



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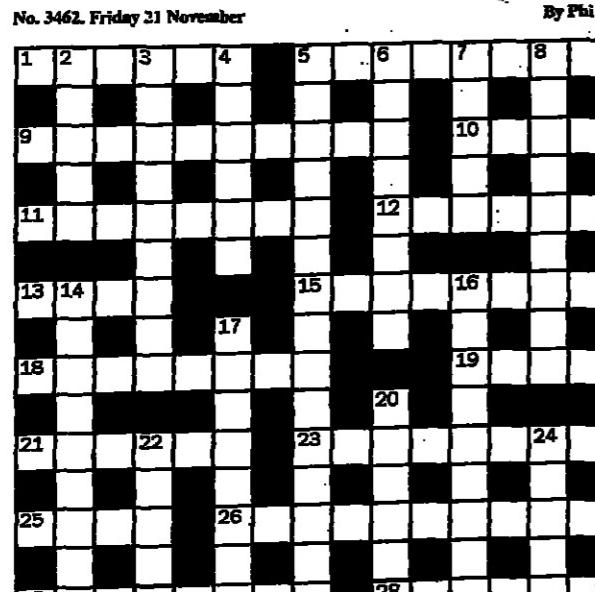
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### THE INDEPENDENT CROSSWORD

No. 3462. Friday 21 November

By Phi

Thursday's solution



- ACROSS  
1 Military update: 'Audacious one's in retreat' (6)  
5 Compromise deal unfortunately rated unacceptable (5-3)  
9 Someone who whips things, presumably (3,7)  
10 Cheese from France consumed when on the turn (4)  
11 Comics will require better paper (8)  
12 Henry's aboard dark boat (6)  
13 I was in charge of turning around foodstore (4)  
15 Big lion chewed up leader of guides trying to be helpful (8)  
18 Tall person, a runner, perhaps, one from Eastern Europe (8)
- DOWN  
1 Are soldiers close to prayer? (4)  
2 Agitated about head of committee in charge of a busy schedule (6)  
3 One embraces chap without checking (8)  
5 Favorite's held back the pace (4)  
6 Batman struggling with evil, though in two minds (10)  
7 End of air-raid making everyone jump (3-5)  
17 Lecturer participating in somewhat hollow assembly (8)  
20 Something about unpleasantly vile part of body (5)  
22 Question: Very good indeed, on reflection? (5)  
24 Chap, one carried off by sea-eagle (5)

### SAILING

#### Double delight for Smith

A new world record was set by Britain's Lawrie Smith in the Whitbread Race yesterday. Again, Stuart Alexander reports.



Smith: Record-breaker

Piling through the Southern Ocean at 49 degrees south and playing the vicious breezes which stream off Antarctica, Smith and his 11 crew in Silk Cut covered 449.26 miles in 24 hours from 08.21 GMT on Wednesday to 08.20 GMT yesterday, an average of 18.3 knots. It was a tantalising 0.7 miles below the magic breakthrough of 450 miles in a day, but it restored to Smith a title he won in the 1993 race, when he covered 428.8 miles to establish a world monohull record on the same leg of the race in tritium Justitia.

That was taken away from him by Chris Dickson in July, when he recorded 434.4 miles crossing the Atlantic in Toshiba. The nearly 15 miles extra

gives Smith and crew of the Whitbread 60 Silk Cut not just a new record, but a boost to

the way he trimmed the spinnaker to allow the boat to pick up each successive wave, rather than ploughing in to the one in front. Even so, "we were broaching a little more often than we would like – (no one likes broaching and it can be boat-threatening) – so the decision came for a smaller kite to be set up."

The wind gods, said Hayles, came up trumps again and the spinnaker was perfect. But he also reminded himself that he was racing against eight other boats. Silk Cut is chasing Paul Cayard in Elf Langoste and has reduced the deficit from 70 to 38 miles. If Smith, who left Elf to join Silk Cut, can beat first leg winner Cayard from Fremantle, he will reduce the points deficit from 55 to 29. Cayard has broken both spinnaker poles, sails, and various bits of other gear. The remaining 1,600 miles will be hard fought.

Hayles paid tribute to a crewman, Neil Graham, for

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